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HIGHLIGHTS: Senate committee reported farm bill. Sen. Kuchel criticized Senate committee action on cotton provision of farm bill. Sen. Young, O., spoke in favor of trade with Russia. Reps. Whitener, Cooley, and others criticized cotton provisions of Senate farm bill. Sen. Symington submitted and discussed measure to authorize investigation of the legality of shipping restrictions on wheat.

SENATE

1. FARM PROGRAM. Reported with amendment H. R. 9811, the farm bill (S. Rept. 687) (p. 22073). This bill was made the unfinished business (p. 22098).
Sen. Kuchel criticized the "two-price system as called for in the Senate committee bill" regarding cotton and stated "we are going to have to continue and strengthen and improve the one-price system." pp. 22099-100
2. LANDS. Passed as reported S. 1674, to authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources

from certain public lands. pp. 22067-73

3. APPROPRIATIONS. Passed as reported H. R. 10586, making supplemental appropriations to the Labor and HEW Departments. Conferees were appointed. House conferees have not been appointed (pp. 22092-93). This bill includes: \$1,723,000 for the Labor Dept. for activities relating to admission and employment of foreign agricultural workers, and \$7,000,000 for the new Administration on Aging in HEW.
4. INFORMATION. Concurred in House amendments to S. 949, to authorize the Department of Commerce to institute a 3-year program of matching grants to States in a cooperative effort to disseminate the findings of science and technology throughout American business, commerce, and industrial establishments as a means of promoting industrial and economic growth (pp. 22094-97). This bill will now be sent to the President.
5. TRANSPORTATION. Conferees were appointed on S. 1588, to authorize the Secretary of Commerce to undertake research and development in high-speed ground transportation (pp. 22097-98). House conferees have not been appointed.
6. NOMINATION. Confirmed the nomination of Ralph K. Huitt to be an Assistant Secretary of Health, Education, and Welfare. p. 22059
7. FORESTRY. Sen. Mondale spoke in support of the bill to establish the Saint Croix National Scenic Waterway in Minn. and Wisc. p. 22088
8. FOREIGN TRADE. Sen. Young, Ohio, spoke in favor of removing the 50% shipping restriction on wheat sales to Iron Curtain countries, and Sen. Magnuson stated he "hoped that something may be worked out to the end that the American merchant marine might carry more of these shipments of wheat." pp. 22094
9. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the bill to establish the St. Croix National Scenic Waterway and the bill to provide certain increases in retirement and disability annuities may be considered on Wed. p. 22099

HOUSE

10. FORESTRY. Passed with amendment S. 7, to authorize the Secretary of Agriculture to establish the Spruce Knob-Seneca Rocks National Recreation Area as a part of the Monongahela National Forest, W. Va., after substituting the language of a similar bill, H. R. 10330, which had been passed earlier as reported. H. R. 10330 was tabled. pp. 22109-12, 22165-6
Passed without amendment H. R. 10366, to provide for the establishment of the Mount Rogers National Recreation Area in the Jefferson National Forest, Va. pp. 22112-3
Passed as reported S. 1689, to authorize the Secretary of Agriculture to hire or rent property from employees of the Forest Service for the use of that Service, whenever in the public interest, and provides that the Secretary shall transmit to the House and Senate Committees on Agriculture a statement of rental under this authority after the end of each fiscal year (the bill removes present requirements that the property must be for use by an employee other than the employee from whom hired or rented and that the aggregate amount paid an employee shall not exceed \$3,000 in any year). p. 22105
Passed over without prejudice, at the request of Rep. Johnson, Pa., S. 1764, to authorize the acquisition of approximately 10,000 acres of land within the boundaries of the Uinta National Forest, Utah. pp. 22105-6

FOOD AND AGRICULTURE ACT OF 1965

SEPTEMBER 7, 1965.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

REPORT

together with

SUPPLEMENTAL, MINORITY, AND INDIVIDUAL VIEWS

[To accompany H.R. 9811]

The Committee on Agriculture and Forestry, to which was referred the bill (H.R. 9811), to maintain farm income, to stabilize prices, and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

PRINCIPAL PROVISIONS OF THE BILL AS AMENDED BY THE COMMITTEE AMENDMENT

TITLE I—WHEAT

(1) A 4-year voluntary price support and diversion program (1966–69).

(2) Price support through loans at larger of 50 percent of parity or world price, plus payments on projected yield of acreage allotment to bring total support to not less than \$1.90 and not more than parity.

(3) No certificates issued to producers. Processors would pay difference between loan and \$2 per bushel in 1966. If bread prices increased, this could be increased in 1967 and subsequent years up to not more than the difference between the loan and parity. No export certificates.

TITLE II—FEED GRAINS

(1) A 4-year price support and diversion program for corn, sorghum (and at the Secretary's discretion barley).

(2) Price supports through loans and payments at 65 to 90 percent of parity with authority to spread the payments over a smaller part of farm base at a higher rate, and with express authority to reduce the loan level below the 1965 level.

(3) Malting barley exemption authority continued.

(4) Alternative program at Secretary's discretion providing (i) no price support payments, (ii) loans at 60 to 90 percent of parity, (iii) not less than a 50-percent rate for 1 year diversion, not less than a 70 percent rate for 5-year diversion of not less than 40 percent of the base, and (iv) no payment to be in excess of 20 percent of fair market value.

TITLE III—RICE

Four-year diversion program, effective only when national allotment is reduced below that for 1965. For 1966 and 1967 rice value factors could not be reduced and differentials between value factors for the various varieties could not be increased.

TITLE IV—WOOL

National Wool Act extended 4 years through December 31, 1969, support price to be adjusted in accordance with changes in the parity index, and the support price for producers of less than 1,000 pounds to be increased by not more than 5 cents per pound.

TITLE V—CROPLAND ADJUSTMENT PROGRAM

(1) Authority for 4 years to enter into 5- to 10-year contracts. The new contracts signed in any year cannot provide for annual payments in excess of \$225 million.

(2) Not more than 50 percent of one allotment could be required to be put in as a condition of participation.

(3) No lump-sum payments.

(4) Person controlling farm for contract period could not be excluded from program because of nonownership if he has operated farm for 3 years.

(5) Acreage diverted from any commodity under CAP would count toward price support diversion requirements for that commodity.

(6) Both county and community would be required to be protected from adverse economic effect.

(7) Wildlife service payments and advisory board provided for.

TITLE VI—COTTON

(1) Domestic allotment program continued for 4 years with payments of 25 percent of basic support for 1966 to those keeping within their domestic allotments, 20 to 40 percent for subsequent years; a minimum farm domestic allotment equal to the smaller of 10 acres or the farm allotment; and a minimum national domestic allotment equal to 65 percent of the national acreage allotment.

(2) Four-year program of payments to other than producers and domestic users at 3 cents per pound.

(3) CCC export sales or subsidies required to be put on a bid or offer and acceptance basis without advance announcement of prices or subsidy rates (effective for 4 years).

TITLE VII—MISCELLANEOUS

(1) Method prescribed for apportioning allotments among divided farms.

(2) Authority to use projected yields in lieu of normal yields for all commodities. Projected yield not to be less than actual yields proved by producer, unless the use of such proved yield for a commodity will cause inequities among producers.

(3) Sense of Congress that no restriction with respect to transportation in American vessels is to be applied to the commercial exportation of agricultural commodities if not applied to the exportation of other commodities.

(4) Authority to purchase dairy products at market prices to meet program requirements for schools, domestic relief distribution, community action, foreign distribution, and other programs when the Commodity Credit Corporation stocks are insufficient.

(5) Study of full-time commercial family farms and the extent to which farm programs are of benefit to such farmers.

(6) Determinations by the Secretary of Agriculture on the amounts and availability of land, labor, material, or services needed for the production and harvesting of any agricultural crop. These determinations shall be accepted by all agencies of the United States.

HEARINGS

The committee held extensive hearings from June 16, 1965, through July 15, 1965, on S. 399, S. 598, S. 891, S. 939, S. 994, S. 1563, S. 1702, S. 1794, S. 1838, S. 2025, S. 2079, S. 2110, and S. 2111. The proposals of the administration for legislation on wheat, feed grains, rice, wool, cropland adjustment, and allotment transfers were contained in S. 1702. Full consideration was given to any additional proposals made by witnesses. Executive sessions were held by the committee from Tuesday, August 24, 1965, through Thursday, September 2, 1965, during which the committee carefully examined the provisions of H.R. 9811, as passed by the House of Representatives, as well as other proposals before it. The hearings have been printed and are available.

LEGISLATION HIGHLY SIGNIFICANT AND IMPERATIVE

The committee amendment in the nature of a substitute deals with the major surplus commodities and would directly or indirectly affect commodities that accounted in 1964 for nearly three-fourths of total farm cash receipts. Hence, it is potentially of great significance.

Action by the Congress to extend and augment farm commodity programs is imperative. The entire economy as well as the farm segment will benefit from such action and would suffer for lack of it.

Extension of commodity legislation for 4 years would serve the interests of farmers and of many agricultural business enterprises. It would also serve the cause of efficiency and economy in administration.

REAFFIRMS GOAL

In reaching a decision on the many and diverse sections of this comprehensive bill, the committee reaffirms its goal of a sound and

stable agriculture as a necessity for a continuing ample production of food and fiber.

American consumers have an abundance of food at a cost low in relation to income. Agriculture is a substantial purchaser of goods and services needed to produce the wide variety of farm output. This purchasing power reaches into all section of the country.

Though net farm income this year may reach \$13.5 billion, the highest since 1953, agriculture has lagged far behind other sectors of our economy in achieving prosperity. Farm prices, up some from a few years ago, still were 17 percent less in 1964 than in the late 1950's. In wage terms, farmers receive about \$1.05 per hour for their work. This is below the minimum national level of \$1.25 per hour and considerably less than the \$2.60 hourly average for industrial workers. Farm costs, on the other hand, continue upward.

SURPLUSES MUST BE CURBED

Farm commodity programs which this bill seeks to strengthen are the mainstay against the destructive influence of surplus production on farm income. Without these production adjustment and price stabilizing programs, farm income would drop sharply, probably to half of its present level. Such a drop would quickly drain the resources of the average family farmer, and force hundreds of thousands of them into bankruptcy. Our successful farming system, as we know it today, would pass out of existence.

By extending provisions for acreage diversion and acreage reduction, the committee amendment is designed to help offset the production problems created by constantly rising yields. The amazing upward trend in per acre output when coupled with the cropland available for planting gives the Nation a production potential far in excess of current needs. If unchecked, this could push surpluses to staggering levels with serious effect on farm income and substantial increases in Government farm program costs.

WOULD INCREASE INCOME FROM WHEAT

The wheat provisions would increase farm income, simplify the program for farmers, continue to keep production in balance, and fix the price-support loan level at about the world price so as to permit wheat to move freely into world trade.

The wheat carryover, which has been brought down to about 819 million bushels on this July 1 from a peak of 1.4 billion bushels at the end of the 1960 crop marketing season, would continue to be held in check. The bill would provide the basis for keeping acreage in line with needs.

By increasing the overall support price to \$1.90 per bushel, it would raise the income level for wheat farmers. This is important because many widespread farming areas are almost solely dependent on wheat as a major source of income.

In providing market support at prices around levels of the past 2 crop years, the bill would enable a continued use of wheat for feed and permit wheat to move into export channels with little or no export subsidy.

It would avert any need or excuse based on wheat prices for an increase in the cost of bread and other wheat products. By continuing

to provide for domestic wheat processors to acquire marketing certificates, it would keep wheat used domestically at a food price level, providing an effective method of regulating commerce in wheat and wheat products. It would further provide for an increase in returns to producers commensurate with any future increases in bread prices.

TWO ALTERNATIVE FEED GRAIN PROGRAMS

The committee continues to be concerned with the need to reduce the cost of the feed grain program. The program has succeeded in cutting the feed grain surplus more than one-third in the face of substantially increased yields. This has cut and will cut program costs as compared with costs that would result from an open-end price support operation without substantial acreage diversion or control.

More than 130 million acres of cropland have been held out of feed grain production during the 1961-65 crop period. If planted, this acreage would have pushed the surplus beyond all reason. Instead of being substantially reduced, Government costs for storage, handling, and other carrying charges for grains would have climbed to extremely high levels.

The program has been important as a stabilizing influence on livestock, dairy, and poultry production, and marketings—which account for a major portion of farm income.

There are 3,185,000 farms with feed grain base acreages. Of these only 1,489,000 farms or 47 percent agreed to participate in the program in 1965, diverting an average of about 30 percent of their feed grain base. On the other hand 1,696,000 farms decided not to participate in the program at all.

Many committee members view with considerable concern the “free ride” that the majority of the farmers get on the feed grain program by benefiting from the improved price and supply situation without making any adjustment in their production. This is one of the major factors in running up program costs.

Because the committee is desirous of lowering the cost of the program by reducing or eliminating the benefits accruing to the nonparticipants they first considered the feasibility of a mandatory marketing quota, acreage control program. However, since there was a wide divergence of opinion as to the acceptability of a program of this nature, the committee decided instead to provide direction and authority to widen the margin between the total support price in which cooperators share and the market support which affects all producers. In this way the committee hopes to improve the feed grain program and reduce the cost to the Government.

While the bill continues provisions of the feed grain program substantially on the present basis, an alternative method would be provided for use at the discretion of the Secretary of Agriculture. This would eliminate the payment portion of feed grain price support. It would provide a loan support price within a range of 60 to 90 percent of parity. It would provide for a higher level of diversion payments, particularly for 5-year diversions of at least 40 percent of feed grain base acreages.

RICE DIVERSION PAYMENTS PROPOSED

The committee is not recommending the administration's proposal for a rice certificate program in view of the overwhelming opposition to this on the part of industry and producer representatives. Instead, the bill provides for an acreage diversion program, similar to that for wheat and feed grains, to maintain producers' incomes, if rice acreage allotments are reduced.

WOOL PROGRAM CONTINUED

The wool payment program, which has worked well during the past decade, would be continued. It would provide for an increase in the minimum level of support which has been at 62 cents per pound of shorn wool for the duration of the program. At present price relationships, the minimum support price would be around 65 cents per pound. While not recommending the small flock payment increases as proposed by the administration, the bill would increase the support price by 5 cents per pound for those producers marketing less than 1,000 pounds of wool.

COTTON SURPLUS IS CAUSE FOR GREATEST CONCERN

Cotton is the most pressing current problem from the standpoint of surplus. Government stocks of cotton have gone up substantially in the past 2 years, and the upward trend of yields threatens to push this higher.

The provisions in the committee bill would offer producers an opportunity to divert acreage out of cotton production in return for price-support payments at a rate equal, for the 1966 crop, to 25 percent of the basic support price. This provision is an extension of the domestic allotment program initiated in 1964, but providing a higher payment rate in order to encourage greater reductions in acreage. For 1967 through 1969, the rate could be fixed by the Secretary at such level, from 20 to 40 percent of the basic support price, as might be required to accomplish the desired reduction. This would move toward reducing the Government surplus and thereby reduce storage and carrying costs.

A payment of 3 cents per pound would be made at some point in the marketing system to enable domestic cotton users to obtain cotton at prices below the support level. This would continue the domestic consumption subsidy begun in 1964, but at a lower rate. To insure continued exports of cotton, the bill would provide for a cotton export payment to be established on a competitive bid basis enabling exporters to sell cotton at competitive world prices.

The present program has been costlier than the committee likes, but the alternative offered by legislation that would be in effect without new legislation for 1966 and later years is a continued surplus buildup with stepped-up Government costs for acquisition, disposal, and storage of unneeded cotton. Also, the higher price level for domestic users would jeopardize cotton's competitive relationship with synthetic fibers and would nullify—and probably reverse—the current upward domestic consumption trend. The payment provided by the committee bill to encourage domestic consumption is adequate

to make cotton competitive with rayon and foreign produced cotton textiles.

Understandably, many are opposed to increasing the dependence of cotton producers on the Government for a larger and larger share of their income. On the other hand, the economy of many cotton-producing areas would be seriously affected by any further decline in cotton producers' income. Added to this is the prospect of larger and larger Government-owned stocks of cotton as per-acre yields rise unless production can be brought more into line with current needs.

CROPLAND ADJUSTMENT PROGRAM

The proposed cropland adjustment program would offer an opportunity to hold acreage out of production as a supplement to the commodity adjustment programs. It would provide acreage diversion for a longer period of time at lower rates than are paid under the commodity programs. In providing contracts for diversion for 5 to 10 years, the program would meet the needs of those farmers who want to undertake new ventures but cannot now obtain the necessary financing. It would also enable older persons to reduce their farming operations and at the same time reduce production levels. Town and city people will benefit from increased recreational opportunities which this program will help make available. The Secretary could make small wildlife incentive payments annually to farmers willing to manage retired cropland for wildlife production and provide free public access for hunting, fishing, trapping, hiking, and other recreation.

The Nation's natural beauty and its water supply will be protected and enhanced.

While the program would permit county, State, and city governments to cooperate with the Federal Government in acquiring land in the interest of urban recreational needs, beautification, open space, and other needed uses, the committee strongly feels that any use of the provisions in this manner should reflect the paramount objective of adjusting crop output.

MISCELLANEOUS PROVISIONS

The last title of the bill carries miscellaneous provisions including the following: (1) Apportioning of allotments among divided farms; (2) authority to use projected yields in lieu of normal yields in program computations; (3) opposition to certain shipping restrictions on agricultural exports; (4) authorization for purchase of dairy products at market prices under certain conditions; (5) designation of the Secretary of Agriculture as the official to determine for all agencies the land, labor, materials, and services needed for production and marketing of agricultural crops; and (6) direction to the Secretary of Agriculture to see how well farm programs meet the needs of commercial family farms.

A title-by-title analysis of the bill follows:

TITLE I—WHEAT

Short explanation

This title would provide for 4 years (1966 through 1969) a voluntary wheat program with price support payments to producers and land

diversion payments. Certificates would continue to be used as a means of regulating commerce in wheat and wheat products to assure that the farmer receives from domestic processors and consumers a fair price for that part of his crop produced for domestic consumption. However, the committee felt that the program would be more easily understood by the producer if, in lieu of being given certificates on part of the projected yield of his acreage allotment, he were given payments at a lower rate on all of such projected yield. The producer is interested in his average price, and the bill therefore establishes an average support level based on his entire projected yield. Processors would continue to be required to purchase certificates at a price which with the loan level would be deemed to represent a fair price to be charged for domestic consumption. For 1966 this would be fixed at the difference between the loan level and \$2 per bushel. In subsequent years if the average price of bread increased, the certificate cost could be increased to provide the farmer with a fair share of the increased amount paid by the consumer. The committee bill will provide food price stability, improve incomes of wheat producers, continue the progress made in reducing surplus stocks, and continue the freedom and flexibility in management and operation for wheat farmers as provided under the 1964 and 1965 programs. In determining the advisability and extent of any increase in the cost of certificates to processors, and in determining the price support level, the Secretary could consider such factors as whether the product price increase is of a general nature or is isolated as to area or product, whether the product price increase reflects increased costs, and any other factors which may bear upon the equity of the producers' share of the prices paid by consumers.

The wheat provisions of the bill provide for—

1. A 4-year voluntary price support and diversion program.
2. Price support through loans and purchases at the higher of 50 percent of parity or the 3-year average farm equivalent of the world price, plus payments on the projected yield of the acreage allotment to bring the total support to not less than \$1.90 per bushel, but not more than parity.
3. No certificates would be issued to producers. For the 1966 crop, processors would purchase certificates valued at an amount equal to the difference between the loan rate and \$2 per bushel. If bread prices increased, the certificate value could be increased in 1967 and subsequent years up to an amount not to exceed the difference between the loan and parity. There will be no export certificates.

As in the 1964 and 1965 programs, producers may voluntarily divert to conservation uses additional acreage. The bill provides that up to 50 percent, or 25 acres, whichever is larger, but not to exceed the allotment, may be diverted. This increase from the 20-percent or 15-acre provision of existing law is made to make the program provisions consistent with the feed grain program. Diversion payments would be limited to not more than 50 percent of the loan rate. The existing provisions of law permitting substitution of wheat and feed grains, including oats and rye, are left in effect.

Acreage allotments would be continued for purposes of determining eligibility for price support and diversion payments. Yields used in determining diversion and support payments to farmers would be on projected farm yields rather than on normal yields. This would

recognize yield increases as they occur. A new simple method of computing farm allotments would be provided but no change will occur in present acreage relationships between States, counties, and farms. After 1969, the existing provisions of law for marketing quotas, marketing certificates, and price support will again become effective, but with the improved method of computing allotments.

Changes from previous legislation

Under the bill all wheat would be supported through loans or purchases at the higher of the average world price of 50 percent of the parity price. In addition cooperators would receive a payment on the projected yield of their acreage allotments (if planted or diverted as prescribed by the Secretary) adequate to give them an average support price for their projected yield of from \$1.90 per bushel to parity. The 1965 program provides total support for wheat accompanied by domestic certificates of \$2 per bushel, wheat accompanied by export certificates at \$1.55 per bushel and noncertificate wheat at \$1.25 per bushel.

Instead of issuing certificates to producers direct payments will be provided. Processors, however, would continue to be required to purchase certificates for wheat processed by them. For the 1966 crop certificates would be sold to processors for the difference between the loan and \$2 per bushel. For the 1967 through 1969 crop, a new provision provides that if bread prices are increased the Secretary is authorized to adjust the value of the certificates up to not more than the difference between the loan rate and parity. There will be no export certificates which should virtually eliminate the need for wheat export subsidies.

The minimum national acreage allotment under the bill would be the number of acres needed to produce estimated requirements on the basis of the projected national yield. Under the 1964 and 1965 programs, the national allotment could not be less than 49.5 million acres. The 1966 national acreage allotment has already been fixed at 47.8 million acres, and this would not be changed.

BACKGROUND

Need for new legislation

Legislative authority for the voluntary wheat marketing certificate program effective for the 1964 and 1965 crops will expire at the end of the 1965 crop year. Existing legislation will then provide for the earlier mandatory certificate program if producers approve marketing quotas. If marketing quotas are rejected, price support would be established at 50 percent of parity. New legislation is therefore needed to continue a voluntary program, improvement in farm income for wheatgrowers, stock reductions, and at the same time maintain prices fair and stable to consumers while permitting wheat to be produced for export at a level competitive with world prices. Without a program to guide production, new crop surpluses can depress prices below cost of production levels and substantially increase surplus stocks.

Programs affecting wheat production in past years

The supply, utilization, and stocks for the marketing years 1961-64 reflect a significant improvement from the wheat imbalance that had prevailed during the immediate preceding years. It is estimated that

wheat stocks at the end of the 1964-65 marketing year, while still well above requirements, will be some 580 million bushels below the record high stocks figure of 1.4 billion bushels at the beginning of the 1961-62 marketing year.

The stocks reductions during the 1962-63 and 1963-64 marketing years result from a combination of the special wheat programs in effect during these years, and sustained record large exports during the past several marketing years. The 1964 and 1965 programs will continue to reduce stocks toward desirable levels.

The 1962 price support and stabilization program for wheat provided price support at \$2 per bushel and required a 10-percent mandatory cut in allotments based on a national allotment of 55 million acres. The program also provided payments to participating producers for the acreage required to be diverted and for additional acreage voluntarily diverted. Under this program, 10.7 million acres were diverted from wheat crop land and production was reduced for the first time since 1957. Farm income in 1962 from wheat was \$2.5 billion.

The 1963 program provided for price support loan of \$1.82 per bushel and total support at \$2 per bushel, which included 18 cents as a price support payment, to cooperators who participated in the wheat stabilization program. Farm allotments were on the basis of a 55-million-acre national allotment. Under this program, some 7.2 million acres were diverted from wheat production. Due to this reduction in acreage devoted to wheat and a record large export movement, a significant reduction in carryover stocks was achieved. Income from wheat in 1963 was \$2.4 billion.

Under the wheat stabilization program for the 1964 crop, production was 1,290 million bushels. This is less than prospective disappearance. It is estimated that about 1,374 million bushels were required for domestic use and exports, leaving a carryover as of June 30, 1965, of 819 million bushels. Exports will approximate 730 million bushels compared to 860 million bushels exported in 1963-64 marketing year.

The 1964 program provided price support on the following scale to cooperators who also participated in the wheat stabilization program: \$2 per bushel on their share of wheat for domestic food use, \$1.55 per bushel for export wheat and \$1.30 per bushel for noncertificate wheat. Farm allotments were on a basis of 49.5-million-acre national allotment and payments were made to producers who diverted wheat acreage to conservation uses. Under this program, some 5.1 million acres were diverted from wheat production. Due to this reduction in acreage devoted to wheat, production was held at a level under total disappearance. It is estimated that producers will receive around \$2.2 billion from the 1964 crop, including diversion and marketing certificate payments. Wheat farm income for the 1964 crop year will be about \$450 million higher than would otherwise have been possible without a program. Program costs to the taxpayer were over \$300 million lower than in the previous fiscal year.

Projection of wheat supply and utilization for the 1965-66 marketing year indicates a wheat crop of approximately 1,374 million bushels, and total utilization of about 1,395 million bushels, a reduction of about 20 million bushels in stocks leaves an estimated carryover of 800 million bushels as of June 30, 1966. These projections reflect current indicated expectations regarding stocks, production, and utilization on the basis of the 1965 program as announced. These current estimates reflect a larger production in 1965 than in the 1964-crop year due

largely to substitution provisions of the wheat and feed grain programs and an increase in yields. It is estimated that approximately 7.5 million acres of wheatland will be diverted from production. Price support for certificate wheat will be at the same levels as under the 1964 program, but the support for noncertificate wheat (loan level) was reduced from \$1.30 in 1964 to \$1.25 per bushel for the 1965 program. Because of increased participation by wheat farmers in the 1965 certificate program, income is expected to be somewhat higher than under the 1964 program.

It is estimated that under the program authorized by the proposed legislation income from wheat in 1966 will increase about \$400 million over 1965 income.

Statistics

The following wheat table No. 1 on supply and distribution clearly shows the success in reducing wheat surplus and increasing exports.

Table No. 2 shows nearly 900,000 wheat producers signed up to participate in the 1965 wheat program with nearly 85 percent of the national wheat acreage allotment on farms signed up under the voluntary wheat program.

Table No. 3 indicates the supply of wheat by classes. Supplies of Hard Red Winter, Hard Red Spring, and Durum wheat continue to exceed requirements. Soft Red Winter and Soft White wheats are not now excessive but are adequate to meet domestic requirements, exports for dollars, and for Public Law 480 programs.

Table No. 4 shows exports of wheat (grain only) by classes, dollar, and Government-financed programs.

Table No. 5 shows how retail prices of white bread have increased substantially over a 15-year period while the farmers' share of the retail price has decreased.

TABLE 1.—Wheat: Supply and distribution, and production factors, 1951 to date, crop years

Year beginning July 1	Supply (million bushels)			Utilization (million bushels)				Production factors				
	Beginning stocks	Produc- tion	Imports ¹	Total	Domestic		Exports ²	Total	Ending stocks	Planted acres (million acres)	Harvested acres (million acres)	Yield per harvested acres (bushels)
					Food	Seed and feed						
1951.....	400	988	32	1,420	496	192	688	1,164	256	78.5	61.9	16.0
1952.....	256	1,306	22	1,584	488	172	660	1,197	606	78.6	71.1	18.4
1953.....	606	1,172	6	1,784	487	146	633	850	934	78.9	67.8	17.3
1954.....	934	984	4	1,922	486	125	611	886	1,036	62.5	54.4	18.1
1955.....	1,036	937	10	1,983	482	122	604	950	1,033	58.2	47.3	19.8
1956.....	1,034	1,005	8	2,047	482	106	588	994	909	60.7	49.8	20.2
1957.....	909	956	11	1,876	486	105	591	1,138	882	49.8	43.7	21.8
1958.....	882	1,457	8	2,347	497	112	609	1,052	1,295	56.0	53.0	27.5
1959.....	1,295	1,121	7	2,423	497	103	600	1,110	1,313	56.8	51.8	21.7
1960.....	1,313	1,357	8	2,678	497	108	605	1,267	1,411	54.9	51.9	26.2
1961.....	1,411	1,235	6	2,652	500	110	610	1,330	1,322	55.7	51.6	24.0
1962.....	1,322	1,094	5	2,421	502	82	584	1,226	1,195	49.1	43.5	25.1
1963.....	1,142	1,142	4	2,341	505	76	581	1,440	901	53.0	45.2	25.3
1964 ³	1,290	1,290	2	2,193	508	136	644	1,374	819	55.0	49.2	26.2
1965 ³	819	4,137	2	2,197	508	136	644	1,374	819	57.3	49.8	27.6

³ All figures for distribution items for 1964 and 1965 are projected.⁴ Based on August 1965 crop report, USDA.¹ Imports include full duty wheat, wheat imported for feed, and dutiable flour and other wheat products in terms of wheat equivalent.² Exports include flour wholly from U.S. wheat and other wheat products in terms of wheat equivalent.

TABLE 2.—1965 wheat program final signup report

State	Enrolled farms	Effective allotment for all farms (acres)	Effective allotment for enrolled farms (acres)	Percent of effective allotment on enrolled farms	Intended diversion (acres)	Percent of effective allotment enrolled
Alabama.....	2, 023	63, 068	31, 310	50	13, 033	42
Arizona.....	389	38, 986	23, 757	61	6, 387	27
Arkansas.....	2, 062	140, 256	39, 810	28	7, 268	18
California.....	2, 195	382, 237	289, 985	76	66, 549	23
Colorado.....	15, 016	2, 414, 840	2, 163, 207	90	426, 777	20
Connecticut.....	4	325	19	6	2	11
Delaware.....	493	26, 947	13, 905	52	1, 937	14
Florida.....	533	18, 829	12, 403	66	3, 341	27
Georgia.....	12, 711	128, 329	94, 794	74	63, 148	67
Idaho.....	14, 987	1, 117, 765	969, 516	87	137, 546	14
Illinois.....	49, 469	1, 689, 929	912, 337	54	118, 749	13
Indiana.....	43, 986	1, 302, 366	666, 130	51	115, 981	17
Iowa.....	4, 292	142, 649	82, 518	58	13, 148	16
Kansas.....	112, 564	9, 957, 071	9, 311, 074	94	1, 223, 460	13
Kentucky.....	7, 630	215, 479	112, 049	52	36, 284	32
Louisiana.....	624	40, 244	30, 206	75	7, 337	23
Maine.....	12	205	119	58	43	36
Maryland.....	2, 869	163, 430	63, 814	39	13, 126	21
Massachusetts.....	6	196	62	32	22	35
Michigan.....	47, 278	1, 124, 508	621, 801	55	200, 407	32
Minnesota.....	32, 330	947, 848	705, 392	74	125, 090	18
Mississippi.....	621	53, 704	24, 275	45	5, 844	24
Missouri.....	62, 778	1, 578, 349	1, 038, 129	66	250, 073	24
Montana.....	16, 888	3, 662, 698	2, 382, 441	92	421, 496	12
Nebraska.....	62, 471	2, 976, 125	2, 778, 882	93	365, 378	13
Nevada.....	101	16, 088	10, 042	62	2, 142	21
New Jersey.....	1, 493	49, 638	29, 076	59	6, 944	24
New Mexico.....	1, 704	430, 601	307, 107	71	65, 959	20
New York.....	17, 842	313, 897	220, 139	70	96, 871	44
North Carolina.....	41, 470	408, 230	258, 685	63	163, 879	63
North Dakota.....	62, 776	6, 809, 819	6, 377, 487	94	1, 064, 151	17
Ohio.....	60, 065	1, 546, 693	898, 873	58	178, 435	20
Oklahoma.....	54, 227	4, 599, 373	4, 186, 075	91	606, 150	14
Oregon.....	6, 767	796, 460	711, 481	89	109, 674	15
Pennsylvania.....	18, 382	559, 925	186, 054	33	75, 513	41
Rhode Island.....		116				
South Carolina.....	17, 479	182, 716	119, 780	66	80, 658	67
South Dakota.....	30, 256	2, 568, 129	2, 309, 827	90	468, 578	20
Tennessee.....	9, 763	198, 450	99, 849	50	45, 724	46
Texas.....	39, 048	3, 829, 042	3, 381, 141	88	567, 870	17
Utah.....	4, 329	280, 023	203, 655	73	37, 582	18
Vermont.....		470				
Virginia.....	16, 212	280, 400	150, 376	54	67, 822	45
Washington.....	9, 126	1, 862, 348	1, 714, 714	92	203, 003	12
West Virginia.....	1, 089	29, 570	10, 491	35	4, 032	38
Wisconsin.....	2, 816	55, 114	21, 940	40	7, 669	35
Wyoming.....	1, 870	259, 284	220, 594	85	34, 566	16
Total.....	891, 046	53, 262, 769	44, 785, 271	84	7, 509, 648	17

TABLE 3.—Wheat: Estimated supply and distribution by classes, U.S. average 1957-61 and annual 1962-64

[In millions of bushels]

Item	Hard Winter	Red Winter	Hard Spring	Durum	White	Total
Average, 1957-61:						
Carryover, July 1.....	860	12	221	20	49	1,162
Production.....	687	179	171	27	161	1,225
Imports.....			8			8
Supply.....	1,547	191	400	47	210	2,395
Exports ¹	335	45	42	5	120	547
Domestic disappearance ²	264	131	139	24	45	603
Carryover, June 30.....	948	15	219	18	45	1,245
1962-63:						
Carryover, July 1, 1962.....	1,085	24	187	5	21	1,322
Production.....	537	157	175	70	155	1,094
Imports ³			5			5
Supply.....	1,622	181	367	75	176	2,421
Exports ¹	437	40	39	4	122	642
Domestic disappearance ²	249	136	133	25	41	584
Carryover, June 30, 1963.....	936	5	195	46	13	1,195
1963-64: ⁴						
Carryover, July 1, 1963.....	936	5	195	46	13	1,195
Production.....	545	219	161	51	166	1,142
Imports ³			4			4
Supply.....	1,481	224	360	97	179	2,341
Exports ¹	565	84	48	29	136	859
Domestic disappearance ²	249	136	132	27	37	581
Carryover, June 30, 1964.....	670	4	180	41	6	901
1964-65: ⁴						
Carryover, July 1, 1964.....	670	4	180	41	6	901
Production.....	642	229	172	66	181	1,290
Imports ³			4			2
Supply.....	1,312	233	354	107	187	2,193
Exports ¹	504	80	24	9	113	730
Domestic disappearance.....	271	145	135	31	62	644
Carryover, June 30, 1965.....	537	8	195	67	12	819

¹ Includes exports for relief or charity by individuals and private agencies. Include relief shipments of bulgar beginning 1962-63.

² Wheat for food (including military food use at home and abroad), feed, seed, and industry. Includes shipments to U.S. territories.

³ Exclude imports for milling-in-bond and export as flour.

⁴ Preliminary.

TABLE 4.—*Wheat exports by classes;¹ dollar and Government-financed grain only, annual 1959-64 crop years*

[In millions of bushels]

Year beginning July 1	Hard Red Spring	Hard Red Winter	Soft Red Winter	White	Durum	Mixed	Total
1959:							
Dollar sales	23.5	31.3	15.3	30.5	0	.15	100.7
Government programs ²	12.2	185.1	21.7	92.5	0	.61	312.2
Total	35.7	216.4	37.0	123.0	0	.76	412.9
Dollar percent	66	14	41	25	-----	20	24
1960:							
Dollar sales	21.6	107.0	25.9	46.6	5.3	2.3	208.7
Government programs ²	3.7	241.3	25.9	85.9	0	.1	357.0
Total	25.3	348.3	51.8	132.5	5.3	2.4	565.7
Dollar percent	85	31	50	35	100	96	36
1961:							
Dollar sales	23.1	67.4	39.0	55.0	15.9	1.7	202.1
Government programs ²	6.0	328.7	13.4	57.1	0	.1	405.3
Total	29.1	396.1	52.4	112.1	15.9	1.8	607.4
Dollar percent	79	17	74	49	100	93	33
1962:							
Dollar sales	17.3	38.3	24.7	29.1	3.3	1.6	114.3
Government programs ²	8.0	304.7	11.8	84.4	-----	10.8	419.7
Total	25.3	343.0	36.5	113.5	3.3	12.4	534.0
Dollar percent	68	11	68	26	100	13	21
1963:							
Dollar sales	30.3	128.4	65.9	64.0	27.9	2.3	318.8
Government programs ²	16.0	344.5	6.7	64.1	-----	.9	432.2
Total	46.3	472.9	72.6	128.1	27.9	3.2	751.0
Dollar percent	65	27	91	50	100	72	42
1964:							
Dollar sales	17.2	54.7	30.1	41.9	7.5	1.0	152.4
Government programs ²	3.1	388.6	37.5	65.2	.2	.8	495.4
Total	20.3	443.3	67.6	107.1	7.7	1.8	647.8
Dollar percent	85	12	32	39	97	56	22

¹ Inspection for exports. Grain Market News-C. & M.S.-USDA.² Special Government-financed programs such as Public Law 480 sales for foreign currencies (the major portion) donation, barter, and special long-term credit sales.

TABLE 5.—*Bread, white—Retail prices, farm value, farmer's share of retail price, and season average price received by farmer, 1950-64*

Year	Retail price per pound	Farm value, wheat ¹	Farmer's share, wheat ¹	Season aver- age price received by farmers per bushel, wheat
	<i>Cents</i>	<i>Cents</i>	<i>Percent</i>	<i>Dollars</i>
1947-49 average.....	12.7	2.7	21	2.05
1950.....	13.5	2.5	19	2.00
1951.....	14.9	2.6	17	2.11
1952.....	15.1	2.6	17	2.09
1953.....	15.5	2.5	16	2.04
1954.....	16.3	2.7	17	2.12
1955.....	16.8	2.7	16	1.98
1956.....	17.1	2.6	15	1.97
1957.....	18.0	2.6	14	1.93
1958.....	18.5	2.3	13	1.75
1959.....	18.9	2.3	12	1.76
1960.....	19.5	2.3	12	1.74
1961.....	20.0	2.4	12	1.83
1962.....	20.3	2.6	13	2.04
1963.....	20.7	2.5	12	1.85
1964 ²	20.7	2.5	12	³ 1.37

¹ Payment to farmer for wheat, less estimated value of millfeed byproducts; 0.894 pound wheat, January 1950-June 1957; 0.882 pound July 1957-December 1963; 0.877 pound beginning with January 1964.

² Starting July 1964 the farm value and the farmer's share for white bread are based on the market price of wheat received by farmers plus 70 cents per bushel, the cost of the marketing certificate to millers and the value of the domestic marketing certificate received by farmers complying fully with the Federal wheat program.

³ Estimated; does not include value of certificate (\$0.70).

VIEWS OF THE DEPARTMENT OF AGRICULTURE

On the day the committee ordered the bill reported, it received a letter from the Secretary of Agriculture commenting on the wheat provisions contained in the committee amendment. The letter is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., September 2, 1965.

HON. ALLEN J. ELLENDER,
U.S. Senate.

DEAR MR. CHAIRMAN: Earlier this week the Senate Agriculture Committee gave tentative approval to a new program for wheat. This program represents a sharp departure from the two-price, domestic certificate concept that has been approved by the Congress on several occasions in recent years and under which farmers have operated the past 2 years. In lieu of that successful and well understood program, the language of the committee print would substitute a new program of direct Treasury payments on a cooperating producer's entire allotment.

We have carefully considered this tentative wheat provision and felt the committee should have the results of that analysis prior to its taking final action.

It is our considered judgment that this new approach will seriously jeopardize and threaten efforts to expand wheat exports. With relatively stable domestic food consumption, the future vitality and prosperity of the entire wheat economy depends on expanded sales abroad. To best take advantage of this potential, U.S. wheat must compete freely in world markets without dependence on Treasury subsidies. Legislative changes in recent years, involving the two-price, domestic certificate approach have moved in this direction and have

greatly strengthened our competitive position in the market and at the negotiating table.

The wheat provisions before the committee would reverse these actions and would involve a direct payment of about 65 cents a bushel to the cooperating producer on every bushel of his export wheat.

The tentative wheat provisions in the committee print also spell the end of the very popular substitution provision.

As you will recall, Congress in 1962 and again in 1964 provided the Secretary with the authority to permit producers to substitute acre for acre between wheat and feed grains. This provision enabled the producer to select the best mix or combination and, thereby, obtain greater efficiency and greater returns from his farming operation. This provision permitted the setting of the loan level for wheat so that it could be competitive with other grains and, thereby, opened a new opportunity for wheat to be used as a feed grain.

Our preliminary estimates indicate that 85 to 100 million bushels of wheat are moving into this new use this year. The proposal before the committee would not permit the wheat to be priced competitively with feed grains. Under such conditions, wheat would not be used as a feed, and any wheat produced on traditional feed grain acres would pile up as surplus with increased Government costs.

For 1966, assuming acreage is maintained, the committee print wheat plan would increase the cost to the Government by some \$400 million over the program recommended by the administration. In subsequent years any reduction in the cost of the program would come through sharply reduced acreage, cutbacks in the food-for-peace program, and a loss of income to wheat producers. None of these is desirable.

The Senate Agriculture Committee has, in recent years, been responsible for: Actions to establish a two-price domestic parity concept—actions to improve our export potential—actions to provide a new feed use for wheat—actions to improve wheat producers' income—and actions to strengthen the long-range future of the wheat economy.

The gains under these programs have been impressive. It is our hope that the Senate committee and the Congress will see fit to continue and improve the successful two-price certificate wheat program. We hope the facts submitted in this letter will be of help in the final deliberations toward this end.

Sincerely,

ORVILLE L. FREEMAN, *Secretary*.

While the Secretary's letter was not received until after the committee had determined on the wheat provisions to be included in the bill, the Secretary's letter has subsequently been considered carefully, paragraph by paragraph as follows:

First paragraph

The committee program does not represent a sharp departure from the two-price domestic certificate concept. Under the program in effect for the past 2 years the producer receives certificates which he immediately exchanges for a payment. Under the bill he would receive a payment, without going through the intermediate formality of certificates. The manner in which the payment to the producer is

computed under the existing program is complex, not well understood, and difficult to explain. Great discretion is given to the Secretary as to the number of certificates to be issued to producers, and the value of the certificates, and consequently the producer's return. The committee bill is simple, assuring the producer of at least \$1.90 per bushel on the projected yield of his acreage allotment if he either plants it or diverts it in accordance with the Secretary's regulations. In other words, instead of giving the Secretary almost complete discretion to provide either a very low or a very high average support price, the bill provides for an average support price within well defined and easily understood limits.

Regulation of commerce would continue through the sale of certificates to processors as under existing law. As at present, the Commodity Credit Corporation would sell certificates to processors and serve as the conduit through which the certificate value paid by processors reaches the producers. The only substantive changes from the existing program are restriction of the Secretary's discretion as to the support level and the limitation on the amount which can be charged processors for certificates. The limitation on the cost of certificates to the difference between the loan level and \$2 was fixed by the House in its consideration of the bill, and the committee does not believe that this change in the program can be avoided.

The committee's "new program of direct Treasury payments on a cooperating producer's entire allotment" is merely a simplification of the existing program. Payments will be made by Commodity Credit Corporation as in the past, and certificates will be sold to processors by it as in the past. Payments will be made on the projected yield of that part of the producer's allotment which is either planted or diverted in accordance with regulations prescribed by the Secretary. The Secretary could permit the producer to plant 45 percent of his allotment and divert the balance, and receive his full payment, just as he receives his full marketing certificate payment under similar circumstances under the existing program.

Second paragraph

The committee appreciates having the results of the Department's analysis. The committee has sought and received the Department's assistance in all of its considerations. The wheat provisions of the committee bill are derived from S. 2025, on which the committee had received a report from the Department and which was one of the bills covered by the committee's hearings. The committee had Department officials available at all times during its executive sessions, called on them frequently, and appreciated their cooperation and assistance.

Third paragraph

The committee does not see how the new approach to a simpler program could have any adverse effects on wheat exports. While exports under the existing program in 1964 and 1965 have been dependent on Treasury subsidies, it is intended that under the committee bill U.S. wheat would compete freely in world markets without dependence on Treasury subsidies. Under the existing program the noncertificate support level is fixed below the world price. The exporter is then required to purchase an export marketing certificate which brings his cost above the world price. The Treasury then pays the exporter a subsidy to bring his cost down to the world price. The

committee bill avoids this complicated procedure by fixing the support loan at the world price. If a subsidy were still necessary, the authority to provide it is still available; but it should be less than under the present program where the loan level plus certificate cost is calculated to result in a price above the world price. Again, except for greatly simplified procedure the committee bill does not differ from the existing program.

Fourth paragraph

The committee bill obviously does not reverse any actions toward a freer export market, and does not involve a payment of 65 cents, or any other amount, on any bushel of export wheat. It might be contended that the existing program does provide for a payment of 25 cents per bushel on some bushels of export wheat. In fact, under the Secretary's proposal, S. 1702, the Secretary could issue export marketing certificates to cover all estimated exports, and producers would have to plant the estimated acreage to produce such wheat for export in order to receive their export certificates. The face value of an export certificate could equal or exceed the face value of a domestic certificate. The committee does not suggest that the Secretary would do this, and understands that the Department does not contemplate issuing export certificates in the future, unless such action should become necessary to achieve the income objectives of the act. The committee bill, on the other hand, removes the authority to issue export marketing certificates, provides specifically for an average support level within a definite statutory range, and makes it possible for the Secretary to provide each producer with his full income support without requiring him to raise a single bushel for export.

The bill provides specifically that the price support payments shall be provided on the projected yield of that part of the farm acreage allotment which is either planted for harvest "*or diverted to conserving uses in accordance with regulations prescribed by the Secretary.*" Under the 1965 program the producer must plant at least 45 percent of his allotment to receive his entire domestic certificate payment. He must then plant an additional 35 percent of his allotment to receive his full export certificate payment. Under the committee bill the Secretary could require him to plant 45 percent of his allotment (or any smaller or greater percentage) and permit him to divert the balance of his allotment and still receive the full payment on the projected yield of his entire allotment. The bill simply does not involve a direct payment of any amount on any bushel of export wheat, any more than the administration's bill (which authorizes payments of up to the difference between the noncertificate support price and parity on every bushel of export wheat) should be said to involve a payment of that amount on every bushel of export wheat.

Fifth, sixth, and seventh paragraphs

The committee bill does not spell the end of the substitution provision any more than does the administration proposal. That provision remains in the law and is equally applicable to either proposal. The Department has indicated that it does not intend to issue export marketing certificates in the future, so that the market price for all wheat in the United States will reflect the world price for wheat. Under the committee bill all wheat would be supported

at a level to reflect the world price. The market price would therefore be approximately the same under either bill, and if it is advantageous to feed wheat under one bill it should be equally advantageous under the other. While further discussion of this point should not be necessary, it might be pointed out that section 328 of the Food and Agriculture Act of 1962, which provides the authority for authorizing the substitution discussed by the Secretary in these paragraphs does so "to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program for feed grains or wheat." Certainly the most obvious condition authorized to be imposed by this language is one requiring that the wheat actually be used for feed.

Eighth paragraph

The Secretary has estimated that the committee wheat provisions would cost \$400 million more than the program recommended by the administration. At least \$250 million of this estimate would represent the amount which would have been recovered from processors by raising the face value of domestic marketing certificates by 50 cents per bushel. H.R. 9811 was amended in the House to prevent this increase in the cost of marketing certificates, and the committee does not understand that the administration proposes to reduce the returns to producers to compensate for the action taken by the House. The Department's estimate of the committee bill therefore exceeds the program currently recommended by the Department by not more than \$150 million. The Department's estimate also is not based on what could be done under the authority provided by each proposal, but rather what the Department proposes to do under each proposal for the year 1966. Thus, the Department has advised the committee that it proposes under the House bill to fix the various support levels provided for by it so as to provide a blend support price to cooperators of \$1.8125 per bushel. Under the committee bill this support could not be less than \$1.90 per bushel, or a total for the crop of about \$100 million. The committee understands that the remaining \$50 million difference estimated by the Department results from Department estimates of greater compliance with the provisions of the committee bill (which should result in reduced production and greater disposal of Government stocks), diversion payment rates fixed by the Secretary for small producers who divert their entire allotments, and other minute details of the program which the Secretary might determine upon within the authority provided by the bill.

Ninth and tenth paragraphs

The committee has been ably and cooperatively assisted in the development of legislation by Department officials.

SECTION-BY-SECTION ANALYSIS

Section 101

This section contains 10 amendments to the Agricultural Adjustment Act of 1938, as amended.

Amendment (1) would amend section 332 to change one of the items making up the amount of the national marketing quota from the average amount of wheat which was used for livestock feed during 1959-60 to the amount of wheat which it is estimated will be used for livestock feed during the marketing year for which the quota is

being determined, excluding the estimated amount of wheat used for such purposes as a result of wheat grown in lieu of feed grains under the substitution provisions.

Amendment (1) would also suspend the proclamation of quotas on wheat for crops planted for harvest in the calendar years 1966 through 1969.

Amendment (2) would make the following changes in the provisions for computing the national acreage allotment. The national acreage allotment would be determined on the basis of the projected national yield instead of expected yields as under existing law. The acreage necessary to provide the increases in small farm allotments pursuant to section 335 would be added in the national acreage allotment rather than being established outside the national acreage allotment. This is a technical change to make this provision conform to the changes made by amendments (3) through (8) for computing allotments.

Amendments (3) through (8) would provide for the determination of State, county and farm allotments on the basis of the preceding year's allotment. This would reserve the increases given to farms with small allotments in 1964 and 1965 pursuant to section 335. In the future, such small farm allotments would be treated the same as other allotments. Amendment (3) provides among other things for a special wheat acreage reserve to be apportioned only to counties where wheat is "a major income-producing crop." Any county in which the income from wheat represents 50 percent or more of the total income from crops is regarded as a county in which wheat is a major income-producing crop. The so-called Anfuso amendment under which farmers who overplant their allotments lose history would not apply in any year in which there was a voluntary diversion or certificate program.

Amendment (9) would extend the diversion program for wheat for 4 years—1966 through 1969—with some changes. The limitation on the number of acres of additional voluntary diversion would be raised from 20 percent of the farm allotment to 50 percent of the allotment. (The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.)

Amendment (10) would authorize the Secretary to permit all or part of the diverted acreage to be devoted to mustardseed and crambe, as well as guar, sesame, safflower, sunflower, castorbeans, and flax, if he determines that such production of the commodity is needed, is not likely to increase the cost of the price-support program, and will not adversely affect farm income. The payments in such case could not extend half the rate payable for diversion to conserving uses.

Section 102

This section would extend the wheat marketing certificate program for 4 years—1966 through 1969—but would make inapplicable for this period the provisions relating to the issuance of marketing certificates to producers. In order to simplify the program, producers would receive direct payments on the projected yield of the acreage planted or diverted within the farm acreage allotment, in lieu of receiving certificates on part of their production. Regulation of commerce through the requirement that processors acquire marketing certificates would continue with some modifications hereafter described.

Section 103

Effective on enactment of the act, subsection (a) of this section would authorize the Secretary to exempt wheat heretofore or hereafter processed or exported from the requirement that processors and exporters purchase wheat marketing certificates, if such wheat was produced by and processed for use of a State agency, processed for donation, or processed for noncommercial uses. It would exempt beverage distilled from wheat prior to July 1, 1964, from certificate requirements, and would provide that certificates would be required for a beverage distilled after such date at the time it is placed in barrels for aging, and that upon the giving of a bond the payment for certificates could be deferred until the beverage is bottled for sale.

Subsection (b) would make inapplicable for the 4-year period—1966 through 1969—the provisions in the Agricultural Adjustment Act of 1938, as amended, relating to the issuance of marketing certificates to producers and provisions relating to requirements for the acquisition of export marketing certificates. It would also authorize the Secretary during this period to suspend in whole or in part the requirements for the acquisition of domestic marketing certificates by persons processing wheat into food products if such suspension would result in the more effective regulation of commerce.

Subsection (c) provides that whenever the value of domestic certificates for a marketing year differs from the value of domestic certificates for the preceding year, the Secretary may require certificates issued for the preceding marketing year to be acquired to cover all wheat processed into food products during such year even though the food product may be marketed or removed for sale or consumption after the end of the year.

Subsection (d) would authorize the Secretary to take action to facilitate the transition between marketing years whenever the face value per bushel of domestic certificates for a marketing year is substantially different from the face value of domestic certificates for the preceding marketing year. This would include the authority to sell certificates to persons engaged in the processing of wheat into food products covering such quantities of wheat, at such prices and under such terms and conditions as he provides by regulation.

Subsection (e) would amend the definition of "food products" to exempt flour second clears not used for human consumption as determined by the Secretary (effective 60 days following enactment of the act unless the Secretary designates an earlier date within such period).

The committee is aware of the fact that considerable controversy had developed at one stage between the cornstarch and the wheat starch-gluten industries over the effect certain alternate language would have had on the respective industries. Both industries as well as other interested groups such as wheat growers and flour millers have indicated that the language adopted represents a compromise which would permit some relief to wheat starch-gluten producers and other users of wheat flour for industrial purposes without resulting in serious loss of existing markets to the cornstarch industry.

The amendment itself grants a limited exemption from domestic wheat marketing certificates to second clears flour not used for human consumption. Second clears flour is a type of high ash flour normally having an ash content of 1 percent or more and is produced as a co-product of patent flours in a traditional 72 percent extraction rate type of milling operation.

The Department has furnished the committee with a statement which sets forth its interpretation of the term second clears flour or flour second clears, the purpose of the limited exemption and how it would be administered. This statement is set forth in full in the hearing record at page 1289. It is the intention of the committee that the amendment should be interpreted and administered in accordance with the Department's statement and that the exemption be so confined. The cornstarch and wheat starch industries have developed over a period of years on the basis of the relative prices of corn and wheat and it is the intention of the committee that the exemption provided by this bill to second clears flour should not be the cause of any shift from one commodity to another but rather that the traditional relationship between these industries and the products of corn and wheat for industrial nonfood uses should be maintained.

The committee recognizes that the maintenance of this traditional relationship is in part dependent upon the flour export program. In its statement to the committee and to the corn and wheat industries, the Department has given its assurance that it will take all reasonable steps under its various programs to maintain and increase the export of all grades of wheat flour including second flour clears. This intention as stated by the Department has the approval of the committee.

If for any reason the Department finds that the traditional relationship between wheat and corn products for industrial nonfood uses is not being maintained and cannot be corrected by the Secretary through administrative action, the committee expects the Department to make a report to the committee for such further legislative action as may be appropriate.

Subsection (f) would provide with respect to the 1966-69 crops and the marketing years for such crops that the face value per bushel of marketing certificates which processors must acquire shall be the amount by which the support level through loans and purchases is below \$2, except that if the Secretary determines the average market price of bread has increased following enactment of this act, he may, at his discretion, increase the face value by an amount not exceeding the amount by which such support level is below 100 percent of parity. The exception would not apply to the marketing year for the 1966 crop.

Section 104

This section would provide with respect to the 1966 through 1969 crops of wheat that price support would be made available through loans and purchases at the higher of the farm price equivalent of the average world market price during the preceding 3 years or 50 percent of parity. Additional price support would be made available in such amount as would bring the total price support up to a level not in excess of 100 percent of parity and not less than \$1.90 per bushel and as the Secretary determines to be appropriate taking into account the usual factors taken into account in fixing price support levels and, in addition, any increases in the prices of bread and wheat products so that producers may receive an appropriate share of any increased returns from wheat products. The additional price support would be provided on the projected yield of the farm allotment which is either planted for harvest or diverted to conserving uses, or, in the non-commercial area on such basis as the Secretary determines to be equitable. Price support would be made available only to cooperators,

and price support through loans and purchases would be available only in the commercial wheat-producing area. The section would define a cooperator in the same manner as for the 1965 crop; namely as a person who (i) does not knowingly exceed the farm acreage allotment for wheat or except as the Secretary may prescribe, the farm allotment for wheat on any other farm on which he shares in the production, and (ii) complies with the land-use requirements of the diversion program to the extent prescribed by the Secretary. As provided by section 202(13) of the Agricultural Act of 1964 for the 1965 crop, this section of the bill provides for the 1966 through 1969 crops that a producer shall be deemed not to exceed the allotment if any excess acreage does not exceed 50 percent of the farm acreage allotment and the amount of wheat produced on such excess acreage is stored in accordance with regulations of the Secretary. The section also would provide that in any case where the act prohibits the making of price support loans or payments for failure of a producer to comply with program requirements, the Secretary may, nevertheless, make loans and payments in such amounts as he determines to be equitable.

Section 105

Amendment (1) would extend to the crops planted for harvest in the calendar years 1966 through 1969 the provision in the present program which eliminates the land-use penalty for failing to divert acreage from wheat as would otherwise be required by section 339(a) of the Agricultural Adjustment Act of 1938.

Amendment (2) would extend to the crops planted for harvest in the calendar years 1966 through 1969 the provision in the present program that the minimum price for sales of wheat from Commodity Credit Corporation stocks would be 105 percent of loan rate, plus reasonable carrying charges.

Section 106

This section is a technical amendment to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, to make it conform to the amendment to the acreage allotment provisions in section 101.

Section 107

This section contains two amendments to section 301(b) of the Agricultural Adjustment Act of 1938, as amended.

Amendment (1) would amend paragraph (8) to add a new subparagraph (B) defining the term "projected national yield" as applied to any crop of wheat. The projected national yield would be determined on the basis of the national average yield of the commodity for the preceding 5 years, adjusted for abnormal weather conditions, for trends in yields, and for any significant changes in production practices. It would permit the determination of the national acreage allotment for wheat on the basis of a national yield more nearly equal to the national yield which could be expected in the year for which the allotment is determined.

Amendment (2) would add subparagraphs (J) and (K) to paragraph (13). These would define "projected county yield" and "projected farm yield" for any crop of wheat. The projected county yield would be determined on the basis of the yield per harvested acre for each of the immediately preceding 5 years, adjusted for abnormal weather conditions, trends in yields, and any significant changes in production practices. The projected farm yield would be determined

on the basis of the yield per harvested acre for each of the immediately preceding 3 years, adjusted for the same factors as for the projected county yield. The use of the projected yield would permit the determination of a farm yield of wheat more nearly equal to that expected in the year for which it would be used.

Section 108

This section would amend section 379i of the Agricultural Adjustment Act of 1938, as amended, relating to penalties for violations of the wheat marketing certificate program, to make it clear that the penalties are applicable only for violations committed knowingly.

Section 109

This section contains two amendments. Amendment (a) would redefine "normal production" as applied to wheat contained in paragraph (9) of section 301(b) of the Agricultural Adjustment Act of 1938, as amended, so that, beginning in 1966, the projected farm yield would be used instead of the farm normal yield in the determination of the farm marketing quota and farm marketing excess.

Amendment (b) would amend paragraph (1) of Public Law 74, 77th Congress, relating to wheat marketing quotas, so that the projected farm yield would be used instead of farm normal yield in the determination of the farm marketing quota and farm marketing excess.

Section 110

This section would provide that if National, State, and county allotments have already been established for the 1966 crop before the act becomes effective, the National, State, county, and farm acreage allotments for such crop shall be established in accordance with the law in effect prior to enactment of the act.

TITLE II—FEED GRAINS

Short explanation

This title provides the Secretary of Agriculture with a choice of using either of two voluntary feed grain programs for the 1966 through 1969 crops. Subtitle A provides authority for continuation of the voluntary program in effect during the current year, but makes possible improvements in the program. Subtitle B provides an alternative program, which can be used at the Secretary's discretion, under which no price support payments would be authorized, but diversion payments could be made at levels adequate to assure program participation. Under this alternative program, land could be voluntarily diverted on either an annual or a 5-year basis.

In general, provisions of subtitle A include:

(1) Price support for corn at 65 to 90 percent of parity (and comparable levels for grain sorghums, barley, oats, and rye) if a feed grain diversion program is in effect.

(2) Price support eligibility would be conditioned on participation in an acreage diversion program to the minimum extent prescribed by the Secretary.

(3) Part of the support could be in the form of payments-in-kind to participants who either planted or were unable to plant their feed grain crop due to natural disaster.

(4) A diversion program would be authorized for corn and grain sorghums (and if designated by the Secretary, barley). Oats and rye also may be included for the purpose of planting wheat on such acreage.

(5) Malting barley may be exempted from diversion requirements.

(6) Wheat could be planted on feed grain acreage by participants and feed grains on wheat acreage to the extent permitted by the Secretary.

(7) Payments for diverting acreage to conservation uses could be up to 50 percent of the county support rate, including the lowest rate of the payment-in-kind on the projected yield of the acreage diverted.

(8) Diverted acreage could, under certain conditions, be devoted to the production of guar, sesame, safflower, sunflower, castorbeans, mustardseed, crambe, and flax at reduced diversion payment rates.

(9) Up to 50 percent of any estimated payments earned could be made in advance of determination of performance.

(10) Soybeans could be planted on feed grain permitted acreage in lieu of feed grains and still earn price support payments.

(11) Provisions relating to a farm's soil-conserving base acreage are continued.

(12) Existing provisions relating to Commodity Credit Corporation resale prices are continued.

Subtitle B retains many of the provisions contained in subtitle A, and differs primarily as follows:

(1) Price support for corn at 60 to 90 percent of parity (and comparable levels for grain sorghums, barley, oats, and rye).

(2) Price support payments are not authorized except up to 25 cents per bushel could be paid to participants who were unable to plant, due to natural disaster.

(3) Payments for diverting acreage to conservation uses under the 1-year diversion program could not be less than 50 percent of the county support rate on the projected yield of the acreage diverted; payments for that diverted for 5 years could not be less than 70 percent.

(4) A minimum of 40 percent of the base would have to be diverted under the 5-year diversion program.

Changes from previous legislation

Several provisions have been incorporated in this bill which provide major changes from the legislation authorizing the 1964 and 1965 feed grain programs.

Under both subtitle A and subtitle B:

Barley would not be included unless designated by the Secretary. With barley stocks near desirable levels, barley could be excluded from the program whenever there was no need for an acreage reduction.

Yields used in calculation of program benefits under the feed grain program would be in line with the provisions of title VII of the bill; i.e., projected yields would be used.

Under subtitle A:

Price-support payments-in-kind could be made on all or part of a participant's permitted acreage, or could be varied according to the extent of participation. This provision provides the flexibility to develop a program to meet changing needs and improve the efficiency of the program. It also provides a mechanism whereby producers can receive program payments and benefits according to the degree of their contribution toward achieving program objectives.

Soybeans could be allowed to be grown on feed grain permitted acreage, and participants could earn price-support payments as if feed grains were produced. If permitted by the Secretary this would

allow farmers greater flexibility in planning their farm operations and help to maximize their income. At the same time, production of unneeded feed grains and feed grain program costs could be reduced while needed soybean production could be encouraged.

Program participants could receive price support payments-in-kind on their entire permitted acreage as long as they planted at least 90 percent of such permitted acreage. This would relieve pressure on participants to plant their entire permitted acreage in an effort to maximize price support payments—and oftentimes find they have overplanted their permitted acreage. Simultaneously, the Government will benefit from the production avoided through the resulting lower plantings.

Crambe would be added to the list of designated crops which would be produced on diverted acreage at a reduced diversion payment rate. This is a new specialty crop for which industrial uses are being developed. Its inclusion as a designated crop could help to maximize farmers' income as well as reduce program costs.

The bill provides express authority to the Secretary to reduce loan rates gradually. The loan level does have an influence on market prices. Generally speaking the higher the loan rate the higher the market price. For example, in 1963 the loan level for corn was \$1.07 per bushel and prices received by farmers averaged \$1.09. In 1964, the loan level was \$1.10 and prices received by farmers averaged \$1.16. This year the loan level is at \$1.05. As a result, prices received by farmers ought to be slightly lower than last year.

As indicated earlier, only 47 percent of the farmers with feed grain bases participated in the program this year, reducing their acreage by an average of about 30 percent. The remaining 53 percent of the producers do not contribute one iota to the success of the program in reducing production, but instead benefit from the loan rate's effect on the market price and the improved feed grain supply situation by receiving higher prices in the marketplace.

The committee felt that benefits of the program should accrue primarily to those who contribute to its success. They therefore felt that a gradual lowering of the loan rate over the 4-year life of the program would be highly desirable in limiting benefits to cooperators, encouraging greater participation in the program, lower the cost, and thereby making the program more effective in achieving the goals of this legislation. The committee does not intend, however, that the loan level should be dropped so precipitously as to disrupt the feed grain, livestock, and dairy sectors of the agricultural economy. On the other hand, the total support provided would still be at the discretion of the Secretary at between 65 and 90 percent of parity.

BACKGROUND

This title provides for a 4-year extension of the voluntary feed grain program—1966 through 1969 crops—and is designed to consolidate the gains made by the 1961–65 programs. This legislation builds on the experience gained under the voluntary feed grain programs of the 1960's to date. The legislation is aimed at (1) reducing feed grain surplus stocks, (2) reducing costs of taxpayers, (3) providing greater freedom and flexibility to feed grain producers in their farm operations, (4) providing an opportunity to feed grain producers to maintain and strengthen their farm income, and (5) providing adequate supplies of feed grains to livestock producers and other users at fair and equitable prices.

Need for legislation

Failure to enact new legislation for 1966 and subsequent crops would result in price support at a level between 50 and 90 percent of parity which would not result in increasing CCC corn stocks—or about 75 to 80 cents a bushel for corn. Yet a stocks buildup similar to the 1950's would be set in motion nonetheless.

Harvested acreage, with no diversion program, would probably be at the 1959–60 level. This acreage, combined with higher yields that could be expected would produce crops in excess of market requirements. Even though utilization increased, because of heavy supplies and low prices, feed grain stocks would increase in the neighborhood of 15 million tons. Only 2 years of such a program would nullify the gains made the last 4 years in reducing stocks and Government costs.

With over 3 million feed grain farms in the United States, the adverse effects of such a program would have far-reaching implications. Farm income would be especially hard hit. The value of the feed grain crop would be pulled below \$5 billion, compared to \$6.7 billion, including Government payments, under the 1964 program. Livestock production could be encouraged to expand at an unhealthy rate, leading to lower market prices and instability in that sector of the agricultural economy. The depressed state of this sector of agriculture could be disastrous.

The Secretary of Agriculture would have a choice as to whether the voluntary program authorized by subtitle A or by subtitle B could best achieve the objectives of this bill. The Department of Agriculture advises that the 1966 program would be one authorized by subtitle A. In future years, a program authorized under subtitle B could be used if farm income could be maintained or increased, production more effectively controlled, and costs reduced by such a program.

The committee received assurance from the Department representatives that there was no objection to having this alternative program in the bill and that, since the bill provides for a 4-year farm program, such an additional “tool” for the Department to use instead of the program under subtitle A would provide flexibility to meet changing situations which cannot now be foreseen. Moreover, the Department will have the time needed to contact farmers to assess their potential responsiveness to the alternate program and to evaluate it in terms of overall cost and effectiveness relative to developing situations in feed grains production.

The alternative program provided in subtitle B, like the program provided in subtitle A, seeks to meet the problem of feed grain surpluses through the diversion of acreage devoted to the production of feed grains to soil conserving uses. However, it provides the farmer with a choice between retiring a limited portion of his feed grains acreage base for 1 year (20 percent minimum under present regulations) or retiring 40 percent of his feed grains acreage base for 5 years. Instead of providing complying farmers with both diversion payments and payments per bushel of “projected yield” on nondiverted acres, the alternate program provides only for diversion payments, but in an increased amount intended to be substantially as attractive as the combination of payments under the program established by subtitle A. Thus, the diversion payments are to be not less than 50 percent of the support price on the normal production of the diverted acres for a 1-year period; but in order to provide an incentive for farmers to choose the 5-year retirement plan (taking out at least 40 percent of

their feed grains base acreage from production), diversion payments of not less than 70 percent are authorized.

As an additional incentive to participate, the alternative program provides a form of "insurance" to complying farmers who are not able to plant feed grains on their nondiverted acres because of drought, flood, or other natural disaster. In such a situation, a payment of not to exceed 25 cents per bushel of expected yield may be made with respect to such acreage.

It is specifically provided that the alternative program be administered in such manner as will limit the amount of reduction in production in a county or local community area to prevent the program from adversely affecting the economy of the country or community.

It is recognized that under a 1-year program, entered into from year to year, a farmer can retire 20 percent of his base acreage, for example, in 1 year and a different 20 percent in the next year; that this enables him to bring the first 20 percent into production in the next year and, after lying fallow for 1 year, it would be more productive. Also, there is the likelihood that more of better productive land would be retired if one farmer elects to keep the same acres continuously retired for 5 years in an amount equal to at least 40 percent of his base acreage than two farmers electing to take out only 20 percent of their base acreage, with the same amount of acres being diverted in each case. Thus the alternative program is calculated to effectively achieve the reduction in production goal of the Secretary of Agriculture with a possible lower cost for the program.

It is recognized that the cropland adjustment program provided for under title V permits contracts for a period as short as 5 years and as long as 10 years. However, Department representatives indicated that efforts would be made toward longer term contracts and the retirement of whole farms and substantial portions of base grain acreage, so that if the alternative program provided under subtitle B is put into effect, it would harmonize with the program established under title V.

The remaining provisions of subtitle B are substantially the same as those contained in subtitle A.

Situation

Feed grain stocks steadily increased during the 1950's, reaching a record high 85 million tons at the end of the 1960-61 marketing year. Although the quantity of feed grains fed and exported trended sharply upward during that decade, production increased faster than market requirements. This was due to rapidly increasing yields and no control on acreage. A way to control production was needed if stocks were to be reduced to more manageable levels. The Congress responded by authorizing the 1961 voluntary feed grain program, and later enacted legislation to provide for similar voluntary programs for the 1962 through 1965 crops of feed grains.

Even though yields have continued their sharp upward trend during the 1960's, sufficient acreage has been diverted under the voluntary programs to reduce production below the level of utilization. Feed grain stocks at the end of the current market year (1964-65) are estimated to be about 30 million tons below the record 1960-61 season carryover. This average reduction of over 7 million tons over the last 4 years contrasts to the average 7 million tons increase that characterized the programs of the late 1950's. If, instead of the voluntary program, a pre-1961 type program had been in effect

for the 1961-64 crops, production would have continued to exceed requirements. Production of feed grains would have been about 3.7 billion bushels more than was actually produced. Although utilization would have increased due to heavy supplies at low prices, almost 3 billion bushels of the grain would have gone into carryover stocks—undoubtedly most into CCC hands.

The tremendous increase in total feed grain stocks during the 1950's was paralleled by an increase in Government stocks. Commodity Credit Corporation investment in feed grains increased about \$1 billion in 1950 to \$3.4 billion on June 30, 1961. With the reduction in feed grain stocks under the voluntary programs since 1961 also enabling CCC to reduce its holdings, CCC investment in feed grains stood at \$2 billion on June 30, 1965. Had the surplus continued to rise, CCC investment in feed grains would also have continued to mount, instead of decreasing.

Feed grain producers' incomes have been strengthened as a result of the voluntary programs. The value of the crop, including Government payments, has increased each year since 1961, and in 1965 is also expected to be higher. In fact, the feed grain program during the 1961-64 period has increased producer income \$3 billion above the level they would have received if the pre-1961 type program had been in effect.

Chart 1. United States: Yield per acre Harvested for Grain Corn and Grain Sorghums, 1950-64 (SRS Data)



Chart 2. Feed grains: Comparison of Production and Utilization under Voluntary Programs and under Pre-1961 Program. All data actual except 1961-64 with pre-1961 programs. For these the following assumptions were made:

Harvested acreage: Same as 1959-60 for corn, sorghums, and barley, since no diversion would have been made. Oat acreage used was actual.

Yields: Less than actual, which were used with the voluntary programs—corn, 2 to 2.5 bushels less.

Utilization: More than under the voluntary programs, since feed grain prices would have been lower if the pre-1961 support levels had been in effect.

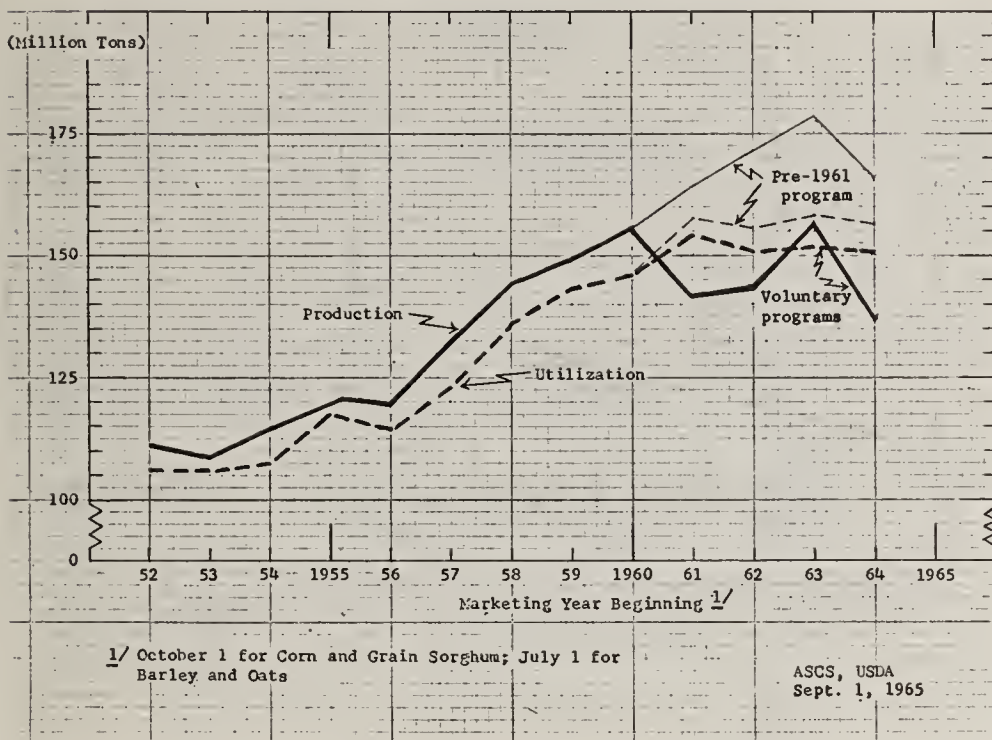


Chart 3. Feed grains: Comparison of Carryover Stocks under Voluntary Programs and under Pre-1961 Program. All data actual except 1961-64 with pre-1961 programs. For these the following assumptions were made:

Harvested acreage: Same as 1959-60 for corn, sorghums, and barely, since no diversion would have been made. Oat acreage used was actual.

Yields: Less than actual, which were used with the voluntary programs—corn, 2 to 2.5 bushels less.

Utilization: More than under the voluntary programs, since feed grain prices would have been lower if the pre-1961 support levels had been in effect.

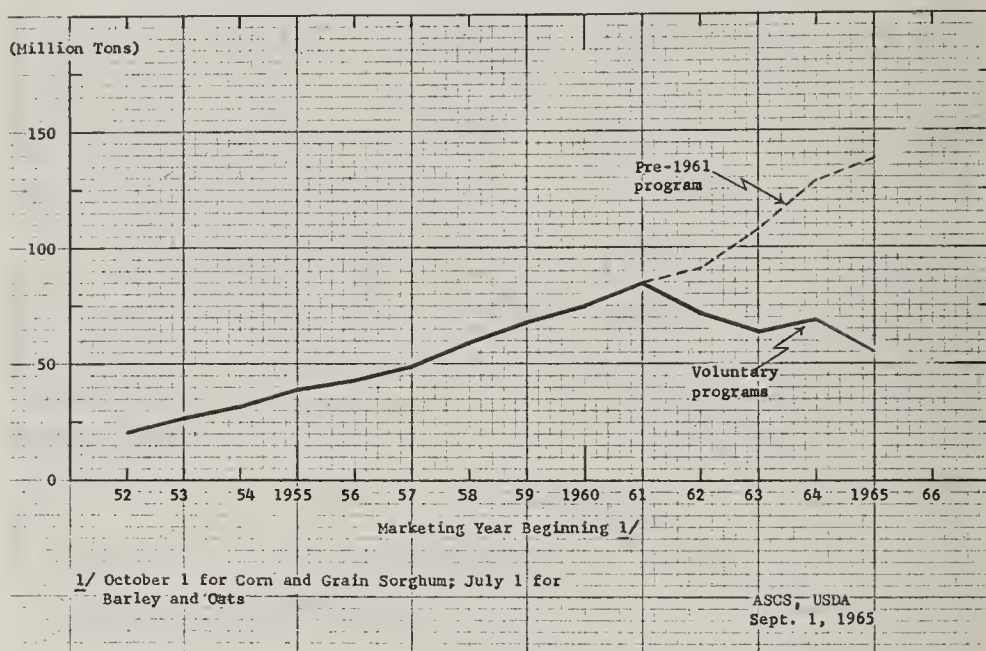


TABLE 6.—*Total, 4 feed grains—Supply, disappearance, value of production, and acreage, United States, marketing years 1952-65*
 [All data in millions]

Year beginning ¹	Supply (tons)			Utilization (tons)			Value of production	Production factors				
	Carryover		Produc- tion	Imports ³	Total	Exports ³		Total	Planted acres	Harvested acres ⁴		
	Govern- ment ²	Other									Domestic	
											Feed	Food, seed, and industry
1952-----	9.0	11.1	111.0	1.7	132.8	88.8	11.7	5.3	105.8	\$5,960	145	121
1953-----	14.8	12.2	108.3	2.2	137.5	89.9	12.1	3.8	105.8	5,581	150	124
1954-----	22.1	9.6	114.1	.9	146.7	89.7	12.4	5.5	107.6	5,580	164	135
1955-----	29.0	10.1	120.8	.8	160.7	96.9	12.5	8.1	117.5	5,346	168	135
1956-----	36.1	7.1	119.3	.9	163.4	94.3	12.6	7.7	114.6	5,366	158	120
1957-----	39.9	8.9	132.4	1.0	182.2	100.9	12.5	9.8	123.2	5,117	158	132
1958-----	49.7	9.3	144.1	.4	203.5	110.4	13.0	12.6	136.0	5,573	148	127
1959-----	58.2	9.3	149.6	.5	217.6	117.2	13.0	12.8	143.0	5,490	155	130
1960-----	66.8	74.6	155.6	.4	230.6	120.1	13.1	12.7	145.9	5,469	150	129
1961-----	76.3	84.7	140.6	.5	225.8	123.2	13.5	17.3	154.0	5,620 ⁵	129	106
1962-----	63.9	71.8	142.9	.2	214.9	120.5	13.7	16.8	151.0	5,640 ⁵	125	103
1963-----	57.3	63.9	156.4	.4	220.7	119.3	14.0	18.7	152.0	5,687 ⁵	131	107
1964 ⁶ -----	57.0	11.7	136.9	.5	206.1	117.4	14.0	18.7	150.1	5,674 ⁵	123	100
1965 estimated--	48.2	7.4	---	---	---	---	---	---	---	---	120	99

¹ Marketing year beginning Oct. 1 for corn and grain sorghum; July 1 for barley and oats.

² Under loan and owned by CCC.

³ Includes grain equivalent of products.

⁴ Harvested for grain.

⁵ Includes land diversion and price support payments as follows: 1961, \$782,000,000; 1962, \$843,000,000; 1963, \$844,000,000; 1964, \$1,168,000.

⁶ Preliminary.

BARLEY

Average, 1958-62.....		162	432	14	608	241	116	94	141	16	31.
1956.....	117	377	27	521	217	115	115	62	394	15	13
1957.....	127	443	24	594	220	113	113	92	425	16	29.8
1958.....	169	477	14	660	231	116	116	117	464	15	32.3
1959.....	196	422	18	636	233	118	118	118	469	17	28.3
1960.....	167	431	15	613	258	116	116	86	460	16	30.9
1961.....	153	396	20	569	246	115	115	84	445	14	30.6
1962.....	124	436	5	565	237	114	114	67	418	15	35.1
1963.....	147	406	13	566	247	115	115	70	432	12	35.1
1964 ^a	134	403	15	552	257	115	115	60	432	12	37.8
1965 estimate.....	120	398	15	552	257	115	115	60	432	11	41.8

Average, 1958-62.....		312	1,128	2	1,442	990	121	29	1,140	34	42.7
1956.....	346	1,151	17	1,514	1,105	144	144	25	1,274	33	34.5
1957.....	240	1,290	25	1,535	1,070	135	135	26	1,231	34	37.9
1958.....	324	1,401	3	1,728	1,203	129	129	31	1,362	30	44.8
1959.....	366	1,052	2	1,420	989	121	121	43	1,153	31	37.9
1960.....	267	1,155	2	1,423	946	125	125	27	1,098	28	43.4
1961.....	325	1,011	1	1,337	922	117	117	21	1,060	32	42.2
1962.....	277	1,020	4	1,301	888	115	115	24	1,027	24	45.0
1963.....	274	979	4	1,257	826	110	110	6	942	22	45.2
1964 ^a	315	882	4	1,201	813	108	108	5	926	20	43.2
1965 estimate.....	275	961	4	1,201	813	108	108	5	926	25	49.6

OATS

Average, 1958-62	1956	1957	1958	1959	1960	1961	1962	1963	1964	Average	1956	1957	1958	1959	1960	1961	1962	1963	1964	Average
312	1,128	17	1,151	1,442	990	1,21	25	29	1,140	27	42	42	42	42	42	42	42	42	42	42
346	1,151	2	1,514	1,105	1,44	33	34.5	44	1,274	33	37	37	37	37	37	37	37	37	37	37
240	1,290	25	1,555	1,070	1,35	36	37.9	48	1,231	34	38	38	38	38	38	38	38	38	38	38
324	1,401	3	1,728	1,203	129	30	44.8	38	1,362	31	44	44	44	44	44	44	44	44	44	44
366	1,052	2	1,420	989	121	43	37.9	35	1,153	28	37	37	37	37	37	37	37	37	37	37
267	1,423	2	1,420	946	125	27	43.4	32	1,098	27	43	43	43	43	43	43	43	43	43	43
325	1,011	1	1,337	922	117	21	42.2	33	1,060	24	42	42	42	42	42	42	42	42	42	42
277	1,020	4	1,301	888	115	24	45.0	30	1,027	23	45	45	45	45	45	45	45	45	45	45
274	979	4	1,257	826	110	29	45.2	29	942	22	45	45	45	45	45	45	45	45	45	45
375	1,201	4	1,201	813	108	5	43.2	27	926	20	43	43	43	43	43	43	43	43	43	43
315	1,061	4	1,061	813	108	5	49.6	25	926	19	49	49	49	49	49	49	49	49	49	49

Oct. 1 for corn and sorghum grain; July 1, for barley and oats.

² Includes grain equivalent of products.

³ Harvested for grain.

4 Preliminary.

⁵ August crop report.

⁶ Not reported separately.

7 Less than 500,000 bushels.

TABLE 8.—*Corn—Support price, season average price received by farmers and CCC holdings, 1952–65 crops*

Crop year beginning Oct. 1	Price per bushel		CCC holdings at end of marketing year ¹ (millions of bushels)		
	Price support	Season average	Inventory	Loans	Total
1952	\$1.60	\$1.51	236.0	277.8	513.8
1953	1.60	1.48	353.7	362.7	716.4
1954	1.62	1.43	621.5	236.1	857.6
1955	1.58	1.35	748.4	360.7	1,109.1
1956	1.50	1.29	873.3	386.6	1,259.9
1957	1.40	1.11	1,077.1	276.7	1,353.8
1958	1.36	1.12	1,184.3	216.3	1,400.6
1959	1.12	1.04	1,312.8	389.4	1,702.2
1960	1.06	.997	1,371.0	556.3	1,927.3
1961	1.20	1.08	867.3	688.8	1,556.1
1962	1.20	1.10	802.6	525.5	1,328.1
1963	² 1.25	1.09	828.4	480.3	1,308.7
1964 ³	² 1.25	1.16	625.0	375.0	1,000.0
1965 estimated	² 1.25		495.0	375.0	870.0

¹ As of Sept. 30 of the calendar year following the year of the crop.² For 1963, loan rate \$1.07 and 18 cents per bushel price support payment; 1964, loan rate \$1.10 and 15 cents price support payment; 1965, loan rate \$1.05 and 20 cents price support payment.³ Preliminary.TABLE 9.—*Grain sorghums—Support price, season average price received by farmers, and CCC holdings, 1952–65 crops*

Crop year beginning Oct. 1	Price per bushel		CCC holdings at end of marketing year ¹ (millions of bushels)		
	Support price	Season average	Inventory	Loans ²	Total ²
1952	\$1.33	\$1.58	0.1	(³)	0.1
1953	1.36	1.32	21.8	0.3	22.1
1954	1.28	1.26	68.1	0.2	68.3
1955	1.00	.98	76.2	(³)	76.2
1956	1.10	1.15	75.1	(³)	75.1
1957	1.04	.97	294.8	3.1	297.9
1958	1.02	1.00	490.6	12.9	503.5
1959	.85	.86	561.6	14.0	575.6
1960	.85	.84	673.5	20.5	694.0
1961	1.08	1.01	647.6	16.4	664.0
1962	1.08	1.02	612.1	25.3	637.4
1963	⁴ 1.12	.98	615.2	31.3	646.5
1964 ⁵	⁴ 1.12	1.06	565.0	25.0	590.0
1965 estimated	⁴ 1.12		540.0	25.0	565.0

¹ As of Sept. 30 of the calendar year following the year of the crop.² Excludes early loans from current crop.³ Less than 50,000 bushels.⁴ For 1963, loan rate \$0.96 and 16 cents per bushel price support payment; 1964, loan rate \$0.99 and 13 cents price support payment; 1965, loan rate \$0.92 and 20 cents price support payment.⁵ Preliminary.TABLE 10.—*Summary of participation, 1961–64 feed grain programs, and enrollment in 1965 program*

Item	Program				
	1961 ¹	1962	1963	1964	1965
Number of farms (thousands):					
Eligible	2,861	² 3,259	3,200	3,191	3,185
Participating	1,147	² 1,250	1,195	1,243	1,489
Number of acres (millions):					
Total base ³	107.9	123.4	123.8	125.8	127.1
Base on participating farms	63.6	68.1	72.6	73.5	87.0
Diverted	25.2	28.2	24.5	32.4	36.7

¹ Corn and grain sorghum only; succeeding programs also include barley.² Barley program separate from corn and grain sorghum. Data may include duplication in instances where a farm grew barley as well as corn and grain sorghum.³ Excludes acreage in conservation reserve program.

TABLE 11.—*Feed grain program: Percentage of total eligible farms participating in 1961-64 programs and enrollment in 1965 program*

State	Program					
	In percent				1965, enrolled	
	1961	1962 ¹	1963	1964	Farms as percent of total farms	Farms (number)
Alabama.....	27	35	29	33	38	43,191
Arizona.....	52	40	25	19	26	705
Arkansas.....	16	18	17	18	22	9,566
California.....	46	31	23	22	23	2,932
Colorado.....	44	31	32	40	54	14,156
Connecticut.....	4	7	11	14	15	346
Delaware.....	35	28	25	24	24	1,235
Florida.....	28	39	30	34	41	6,928
Georgia.....	16	31	29	35	42	39,821
Idaho.....	7	14	16	14	25	5,285
Illinois.....	48	42	38	34	39	81,800
Indiana.....	42	39	38	37	42	68,513
Iowa.....	56	58	60	62	65	123,555
Kansas.....	68	45	46	48	65	90,045
Kentucky.....	34	35	33	40	44	56,577
Louisiana.....	16	26	21	25	28	9,865
Maine.....	4	6	12	15	17	156
Maryland.....	19	15	16	17	19	4,258
Massachusetts.....	1	1	7	7	7	109
Michigan.....	35	37	29	32	41	44,227
Minnesota.....	50	45	56	55	65	93,218
Mississippi.....	21	30	28	30	35	31,086
Missouri.....	54	49	46	47	56	86,120
Montana.....	56	17	28	27	54	11,289
Nebraska.....	71	61	64	70	77	83,242
Nevada.....	27	6	12	9	10	56
New Hampshire.....			2	1	2	11
New Jersey.....	30	31	38	43	49	3,384
New Mexico.....	42	38	32	40	46	3,257
New York.....	36	35	34	36	42	19,707
North Carolina.....	31	38	31	34	37	64,205
North Dakota.....	72	43	51	57	80	52,269
Ohio.....	38	32	28	29	41	65,073
Oklahoma.....	44	34	33	32	52	38,609
Oregon.....	39	28	22	23	30	3,854
Pennsylvania.....	18	17	20	23	27	24,203
Rhode Island.....	(²)	1	3	3	3	6
South Carolina.....	26	37	28	34	41	28,636
South Dakota.....	48	37	47	45	66	43,400
Tennessee.....	34	39	37	39	43	51,333
Texas.....	46	47	38	38	46	89,227
Utah.....	18	16	23	24	28	3,202
Vermont.....	2	2	5	6	7	267
Virginia.....	22	25	26	29	32	24,206
Washington.....	33	28	20	18	46	5,446
West Virginia.....	6	8	25	29	34	5,583
Wisconsin.....	27	29	37	37	43	53,666
Wyoming.....	24	14	20	22	30	1,397
Total.....	40	38	37	39	47	1,489,222

¹ Barley program separate from corn and grain sorghum. Data may include duplication in instances where a farm grew barley as well as corn and grain sorghums.

² Less than 0.5 percent.

TABLE 12.—*Feed grain program: Percentage of total base acreage on participating farms, 1961-64 programs, and enrollment in 1965 program*

State	Program					
	In percent				1965 enrolled	
	1961	1962	1963	1964	Base as percent of total base	Base (in thousand acres)
Alabama.....	39	47	40	45	52	1,165.4
Arizona.....	58	57	47	39	43	159.3
Arkansas.....	30	39	28	27	31	182.7
California.....	62	50	40	37	41	932.0
Colorado.....	70	49	46	56	69	1,681.1
Connecticut.....	5	9	14	15	16	5.1
Delaware.....	47	39	33	31	30	55.0
Florida.....	43	56	43	48	57	408.6
Georgia.....	26	43	40	46	55	1,757.4
Idaho.....	14	31	32	29	53	436.9
Illinois.....	57	54	51	44	49	5,412.1
Indiana.....	54	50	50	46	52	3,010.2
Iowa.....	64	67	70	71	74	10,114.0
Kansas.....	80	60	58	61	77	7,229.3
Kentucky.....	51	50	47	52	57	1,137.5
Louisiana.....	25	45	30	37	41	203.1
Maine.....	4	7	13	15	16	1.4
Maryland.....	31	24	22	22	25	152.2
Massachusetts.....	1	2	7	8	7	1.6
Michigan.....	42	46	39	41	52	1,233.1
Minnesota.....	61	58	71	68	78	6,762.0
Mississippi.....	32	48	42	45	51	708.4
Missouri.....	74	68	63	62	72	4,271.8
Montana.....	75	20	44	38	76	1,680.5
Nebraska.....	80	72	74	79	85	8,396.8
Nevada.....	25	7	22	16	15	3.0
New Hampshire.....	—	—	2	2	2	.2
New Jersey.....	36	44	48	49	54	109.8
New Mexico.....	70	72	44	59	64	555.8
New York.....	45	41	40	41	48	365.9
North Carolina.....	45	53	44	44	49	1,113.0
North Dakota.....	90	48	61	68	86	5,315.5
Ohio.....	47	42	38	36	50	2,009.2
Oklahoma.....	58	46	43	42	62	1,945.6
Oregon.....	40	41	34	36	54	339.7
Pennsylvania.....	20	21	22	24	29	428.4
Rhode Island.....	(1)	1	3	4	4	.1
South Carolina.....	39	55	43	49	57	614.9
South Dakota.....	56	46	56	56	76	4,423.3
Tennessee.....	44	53	49	51	55	993.6
Texas.....	70	70	58	60	70	8,721.4
Utah.....	22	27	37	37	42	105.9
Vermont.....	2	4	6	6	8	3.9
Virginia.....	28	35	36	36	40	369.2
Washington.....	41	29	24	22	71	631.7
West Virginia.....	10	17	33	34	40	47.6
Wisconsin.....	39	39	50	47	54	1,722.9
Wyoming.....	40	24	29	34	47	106.3
Total.....	59	55	55	55	66	87,024.4

¹ Less than 0.5 percent.

TABLE 13.—*Feed grain program: Feed grain acreage diverted, 1961-64 programs, and intended diversion under 1965 program*

[In thousands of acres]

State	Program				
	1961	1962	1963	1964	1965
Alabama.....	413.7	566.4	514.1	633.9	745.5
Arizona.....	56.4	97.0	65.0	68.3	75.0
Arkansas.....	87.2	113.4	109.9	115.8	133.7
California.....	102.1	351.4	302.7	358.0	401.8
Colorado.....	332.2	390.1	380.4	637.7	743.4
Connecticut.....	1.0	1.8	3.0	3.5	4.0
Delaware.....	36.9	36.0	27.3	30.5	30.4
Florida.....	117.4	161.8	140.9	179.6	218.7
Georgia.....	310.8	571.8	589.6	798.9	958.4
Idaho.....	6.7	88.0	98.1	109.4	154.0
Illinois.....	2,105.1	2,042.7	1,533.7	1,694.6	1,829.9
Indiana.....	1,326.5	1,309.3	1,077.0	1,259.3	1,402.6
Iowa.....	2,784.4	3,094.9	2,399.5	3,558.4	3,555.2
Kansas.....	2,457.6	1,998.8	1,698.2	2,480.0	2,782.2
Kentucky.....	567.2	595.0	566.0	699.5	772.3
Louisiana.....	75.2	116.9	94.1	121.0	136.9
Maine.....	.3	.6	.9	1.2	1.3
Maryland.....	77.4	78.6	63.5	77.8	87.9
Massachusetts.....	.2	.3	.9	1.2	1.2
Michigan.....	531.5	598.3	485.6	599.4	744.4
Minnesota.....	1,519.3	1,738.7	1,684.8	2,167.6	2,450.4
Mississippi.....	231.4	352.7	346.9	407.7	466.6
Missouri.....	1,930.5	1,924.9	1,550.3	1,883.1	2,189.0
Montana.....	39.9	148.9	263.8	344.0	482.7
Nebraska.....	2,312.6	2,305.9	1,871.4	2,999.8	3,117.4
Nevada.....	.8	.8	2.0	1.7	1.5
New Hampshire.....			.1	.1	.1
New Jersey.....	37.4	48.6	49.1	60.9	67.5
New Mexico.....	106.1	123.7	123.2	224.6	252.8
New York.....	172.5	177.9	171.7	200.7	235.4
North Carolina.....	519.2	674.7	566.5	626.9	709.4
North Dakota.....	406.6	1,104.8	987.0	1,647.9	1,723.5
Ohio.....	995.4	870.4	673.2	788.4	998.0
Oklahoma.....	504.9	609.1	626.5	702.8	844.1
Oregon.....	15.3	94.0	77.3	102.0	124.9
Pennsylvania.....	159.6	199.1	198.4	250.2	293.9
Rhode Island.....	(¹)	(¹)	.1	.1	.1
South Carolina.....	199.9	293.0	263.5	331.4	388.8
South Dakota.....	887.8	868.7	835.9	1,190.0	1,593.7
Tennessee.....	448.6	574.3	562.6	629.0	691.4
Texas.....	2,612.5	2,905.9	2,429.4	3,231.4	3,888.1
Utah.....	7.4	29.7	47.3	53.6	53.6
Vermont.....	.9	1.2	2.2	2.6	3.4
Virginia.....	127.3	199.1	183.8	214.2	237.5
Washington.....	19.1	92.0	71.4	87.6	164.9
West Virginia.....	8.9	16.2	26.1	30.5	35.3
Wisconsin.....	549.1	622.2	674.7	785.2	884.0
Wyoming.....	12.3	21.6	27.0	38.1	46.1
Total.....	25,215.1	28,211.1	24,466.6	32,430.3	36,722.9

¹ Less than 50 acres.

TABLE 14.—Comparison of 1961–65 feed grain program provisions

Item	1961 program		1962 program		1963 program	
	Price support loan		Price support loan		Price support loan ¹ Price support payment ¹	
Price support:						
Corn.....	\$1.20 per bushel.....		\$1.20 per bushel.....		\$1.07.....	
Oats.....	\$0.62 per bushel.....		\$0.62 per bushel.....		\$0.65.....	
Barley.....	\$0.93 per bushel.....		\$0.93 per bushel.....		\$0.82.....	
Grain sorghums.....	\$1.93 per hundred weight.....		\$1.93 per hundred weight.....		\$1.71.....	
Acreage diversion:						
Grains included.....	Corn and grain sorghum:		Corn, grain sorghum, and barley:		Corn, grain sorghum, and barley:	
Base period.....	1959–60.....		1959–60.....		1959–60.....	
Acreage to be diverted:						
Minimum ²	20 percent of base.....		20 percent of base.....		20 percent of base.....	
Maximum ³	40 percent of base.....		40 percent of base.....		40 percent of base.....	
Payment rates for acreage diversion: ⁴						
First 20 percent diverted.....	County support rate times: 50 percent of normal production. ⁵		County support rate times: 50 percent of normal production. ⁵		County support rate times: 20 percent of normal production. ⁵	
Diversion of 20 to 40 percent.....	60 percent of normal production. ⁵		60 percent of normal production. ⁵		50 percent of normal production. ⁵	
Diversion of 40 to 50 percent.....	50 percent of normal production. ⁵		50 percent of normal production. ⁵		50 percent of normal production. ⁵	
Production eligible for price support.....	Normal production on acreage grown. ³		Normal production on acreage grown. ³		Price support loan on total production.	
CCC domestic sales price to redeem certificates for acreage diversion payments.....	Current market price with allowance for seasonal variation.		Current market price with allowance for seasonal variation.		Not less than the loan rate (\$1.07 per bushel for corn) with allowance for seasonal variation.	
					Price support payment on normal production. ⁵	

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Item	1964 program			1965 program		
	Price support loan	Price support payment ¹	Total support	Price support loan	Price support payment ¹	Total support
Price support:						
Corn.....	\$1.10.....	\$0.15.....	\$1.25 per bushel.....	\$1.05.....	\$0.20.....	\$1.25 per bushel.....
Oats.....	\$0.65.....	\$0.00.....	\$0.65 per bushel.....	\$0.60.....	\$0.00.....	\$0.60 per bushel.....
Barley.....	\$0.84.....	\$0.12.....	\$0.96 per bushel.....	\$0.80.....	\$0.16.....	\$0.96 per bushel. ⁶
Grain sorghums.....	\$1.77.....	\$0.23.....	\$2.00 per hundredweight.....	\$1.65.....	\$0.35.....	\$2.00 per hundredweight.
Acreage diversion:						
Grains included.....	Corn, grain sorghum and barley:			Corn, grain sorghum, barley, wheat, oats, and rye: ⁷		
Base period.....	1959-60.....			1959-60. ⁸		
Acreage to be diverted:						
Minimum ²	20 percent of base.....			20 percent of base.....		
Maximum ³	50 percent of base.....			50 percent of base.....		
Payment rates for acreage diversion: ⁴						
First 20 percent diverted.....	County support rate times: 20 percent of normal production ¹⁰			County support rate times: 20 percent of normal production. ¹¹		
Division of 20 to 40 percent.....	50 percent of normal production ¹⁰			50 percent of normal production. ¹¹		
Division of 40 to 50 percent.....	50 percent of normal production on all acreage ¹⁰			50 percent of normal production on all acreage. ¹¹		
Production eligible for price support.....						
CCC domestic sales price to redeem certificates for acreage diversion payments.....	Price support loan on total production. Not less than the loan rate (\$1.10 per bushel for corn) with allowance for seasonal variation.	Price support payment on normal production. ¹⁰		Price support loan on total production. Not less than the loan rate (\$1.05 per bushel for corn) with allowance for seasonal variation.	Price support payment on normal production. ¹¹	

¹ Price-support payment on normal production of acreage planted for harvest on participating farms.

² Minimum diversion to be eligible for diversion payments and price support.

³ Maximum acreage that can be diverted for payment.

⁴ Small farm provisions:

1961 and 1962 programs: Where base is 25 acres or less, entire base could be diverted for payment—using the same payment rates as for larger farms.

1963 program: Any farm (large or small) could divert the larger of 25 acres or 20 percent of the base and receive payment for all diversion at the 50-percent rate, if no feed grains were planted on the farm.

1964 and 1965 programs: Where base is 25 acres or less, entire base could be diverted for payment and payment for all diversion made at 50-percent rate.

⁵ Based on 1959 and 1960 average yields.

⁶ Malting barley on exempted farms—price support and loan 96 cents per bushel—no price-support payment.

⁷ Farmers signing up for the wheat and feed grain programs may substitute acreages of these grains. Farmers requesting an oats-rye base may substitute wheat for oats and rye.

Corn, sorghums, and barley may not be grown on an oat-rye base. Plantings of other feed grains on such farms cannot exceed the feed grain permitted acreage.

⁸ But not in excess of 1964 acreage for oats and rye bases.

⁹ Oats and rye in 1965 based on 25 percent of wheat payment rate.

¹⁰ Based on 1959-62 average yields.

¹¹ Based on 1959-63 average yields.

SECTION-BY-SECTION ANALYSIS

This title contains two subtitles—subtitle A—“Program for 1966 Through 1969 Crops”—and subtitle B—“Alternative Feed Grain Program.”

SUBTITLE A

Section 201

This section would provide that for the 1966 through 1969 crops of feed grains, if a feed grain diversion program is in effect, producers would be required, as a condition of eligibility for price support, to participate in the diversion program to the extent prescribed by the Secretary. Acreage on any farm which is diverted from the production of feed grains pursuant to a contract hereinafter entered into under the Soil Bank Act would be deemed to be acreage diverted from the production of feed grains for such purposes. Existing law provides that if an acreage diversion program is in effect for feed grains, price support for corn shall be at 65 to 90 percent of parity and at comparable levels for grain sorghums, barley, oats, and rye. The Secretary would be authorized to provide that Malting barley producers may plant 100 percent of their 1959–60 barley acres to an acceptable variety of Malting barley and still receive price support for barley if they do not devote an acreage on the farm to corn and grain sorghums in excess of the average acreage devoted on the farm to corn and grain sorghums in 1959–60. This provision is not applicable to Malting barley producers who substitute wheat for oats and rye pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. The Secretary would make available to producers through payments-in-kind such portion of the price support for any feed grain included in the acreage diversion program as he determines desirable to assure that price support and diversion program benefits inure primarily to producers who cooperate in reducing their feed grain acreage. Such payments-in-kind could be made available on the maximum permitted acreage or the same total amount could be made available on a smaller acreage or acreages at a higher rate or rates. For purposes of such payments-in-kind, producers on any farm who planted not less than 90 percent of the permitted acreage would be deemed to have planted the entire permitted acreage. Such payments-in-kind would be made on the basis of the projected yield. An acreage on the farm which the Secretary finds was not planted to feed grains because of drought, flood, or other natural disaster would be deemed an actual acreage of feed grains planted for harvest for purposes of computing such payments-in-kind. The Secretary could permit producers participating in the diversion program to grow soybeans in lieu of feed grains and still receive the feed grain payments-in-kind. The Secretary would be authorized to provide for distributing the payment-in-kind certificates on a fair and equitable basis instead of requiring them to be distributed on the basis of the respective shares of the producers in the feed grain crop. This would permit taking into account the respective contributions of each producer on the farm in reducing feed grain. The Secretary would be authorized to make payments-in-kind, with adjustments in the amount thereof, even though there is a failure to comply fully with the program. That portion of the support price made available through loans and purchases for the 1966 through 1969 crops could be reduced below the 1965 loan level by such amounts and in such stages as necessary to pro-

mote increased participation in the feed grain program without disrupting the feed grain and livestock economy.

Section 202

This section would provide for a feed grain acreage diversion program for the 1966 through 1969 crops of feed grains which would be similar to that in effect for 1964 and 1965 with some changes. Payments would be made at such rate or rates as the Secretary determined would provide producers with a fair and reasonable return for the acreage diverted, not in excess of 50 percent of the estimated basic county support rate, including the lowest rate of payment-in-kind in effect on the normal production of the acreage diverted from the commodity based on the projected yield per acre. The Secretary may make adjustments in acreage as he determines necessary to correct for abnormal factors affecting production and to give due consideration to tillable acreage crop-rotation practices, type of soil, soil and water conservation measures, and topography. The Secretary could permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, and flax, if he determined that such production of the commodity is needed, is not likely to increase the cost of the price-support program, and will not adversely affect farm income but in such case the diversion payment rate would have to be reduced to not more than half of the rate otherwise applicable. The term "feed grains" under the bill means corn, grain sorghums, and if designated by the Secretary, barley. The term "feed grains" also includes oats and rye if the producers on a wheat farm so request, in which case the diversion program shall be applicable to oats and rye and the producers could, if they desired, utilize such acreages for the purpose of having acreage devoted to the production of wheat considered as devoted to the production of feed grains pursuant to section 328 of the Food and Agriculture Act of 1962. However, permitted acreages of oats and rye under the diversion program may not be planted to corn, grain sorghums, or barley. Barley would not be included in the program for Malting barley producers who participate only with respect to corn and grain sorghums and meet the conditions specified in section 201. The existing provisions of law permitting substitution of wheat and feed grains would be left in effect.

Section 203

This section would amend section 326 of the Food and Agriculture Act of 1962, which gave the Secretary authority to pay for performance rendered in reliance on erroneous advice of authorized representatives, to make it applicable to any program under which price support is extended or payments are made to farmers.

SUBTITLE B

Section 204

This section would provide that for any of the 1966 through 1969 crops of feed grains the Secretary could carry out the program under subtitle B in lieu of the program authorized under subtitle A. The program under subtitle B would differ from the program in subtitle A in the following respects:

(1) The minimum level of price support for corn would be reduced from 65 to 60 percent of parity.

(2) There would be no price support payments-in-kind.

(3) A payment of not to exceed 25 cents per bushel could be made available on acreage not planted to feed grains because of drought, flood, or other natural disaster.

(4) A higher payment rate—not less than 50 percent of the estimated basic county support rate—could be made for diversion on an annual basis.

(5) A higher payment rate—not less than 70 percent of the estimated basic county support rate—could be made to producers who agree to divert for a period of 5 years not less than 40 percent of the feed grain base.

(6) The payments made in any year with respect to any acreage could not exceed 20 percent of the fair market value of such acreage.

TITLE III—RICE

Short explanation

This title provides a 4-year diversion program that would be in effect only when the national allotment is reduced below that for 1965. It also provides for the 1966 and 1967 crops that the rice value factors could not be reduced and differentials between value factors for the various varieties could not be increased.

Title III of S. 1702, the administration's proposed omnibus farm bill, contained authority for a certificate program for rice, which was overwhelmingly opposed by producers, millers, processors, and consumers and has not been included in the committee bill. In order to provide some income protection to rice producers, the committee has approved two provisions that would amend present rice legislation.

The first provision requires the Secretary of Agriculture to formulate and carry out an acreage diversion program for rice for any of the 4 crop years 1966 through 1969 if the national acreage allotment for such crop is less than the 1965 allotment. The rate of payment on such acreage diversion would be such as to maintain producer net returns at about the 1965 level.

The second provision approved by the committee would require that in determining the support price for the 1966 and 1967 crops the value factors for head rice and broken rice of the various varieties would not be lower than those for the 1965 crop, and furthermore, that the difference in value factors between the varieties would not be greater than the differences in the value factors for the various varieties for the 1965 crop. The basic support price per hundred-weight for any lot of rough rice is determined by (1) taking its yield (in pounds per hundredweight) of head rice multiplied by the applicable value factor for head rice, (2) adding the difference between its total milling yield and its head rice yield (in pounds per hundredweight) multiplied by the applicable value factor for broken rice, and (3) rounding to the nearest whole cent. The value factors therefore determine the support price, and by prohibiting any increase in the differential between long and short grain rice value factors for 1966 and 1967, the bill would prevent any widening of the differences in their support prices.

Both of these provisions will be beneficial to rice producers insofar as it provides protection from loss of income below the 1965 levels. The diversion payments will also permit the Secretary of Agriculture to reduce the cost of the rice program by reducing the allotment and

thereby the amount of rice exported under Public Law 480, but at the same time maintaining producers' net income at about the 1965 level. The operation of the diversion program for rice would operate very much as it operates presently in the wheat and feed grain programs. The acreage diverted from rice production would have to be devoted to an approved conservation use to be eligible for diversion payments.

BACKGROUND

Current situation

Rice continues to maintain the reasonably good balance between supplies and use that has prevailed for the last several years. Domestic food use has continued its slight upward trend and exports have moved up sharply. With this increase in utilization, the larger supplies have been utilized and stocks have been held to minimal levels.

The increased rice supplies have been the result of sharply increased yields resulting from new varieties and new cultural practices. The harvested acreage has been stable since 1962.

The presently healthy supply-utilization balance is primarily the result of increased export movement both for dollars and food for peace. The export movement of rice has expanded significantly in the last few years and during the 1964 marketing year accounted for some 60 percent of total utilization.

Tables

The attached four tables provide information for recent years relating to acreage, supply, disappearance, value of production, program costs, and 1965 program value factors.

TABLE 15.—*Rice: Acreage, supply, and disappearance, 1961–66 marketing years (rough equivalent basis)*

Item	1961-62	1962-63	1963-64	1964-65	1965-66
Acreage and yield:					
Allotment (thousand acres).....	1, 652. 60	1, 817. 90	1, 818. 20	1, 818. 20	1, 818. 60
Harvested acreage (thousand acres).....	1, 590. 00	1, 774. 00	1, 772. 00	1, 786. 00	¹ 1, 783. 00
Yield per harvest acre (pounds).....	3, 411. 00	3, 724. 00	3, 967. 00	4, 095. 00	¹ 4, 153. 00
Supply (million hundredweight):					
Carry-in (Aug. 1).....	10. 10	5. 30	7. 70	7. 50	7. 70
Production.....	54. 20	66. 10	70. 30	73. 10	¹ 74. 00
Imports.....	. 40			. 40	. 20
Total supply.....	64. 70	71. 40	78. 00	81. 00	81. 90
Disappearance (million hundredweight):					
Food.....	22. 60	21. 90	23. 00	23. 40	
Seed.....	2. 30	2. 40	2. 40	2. 40	
Industry.....	4. 70	4. 10	3. 80	4. 20	
Total, domestic.....	² 30. 20	² 28. 60	29. 20	30. 00	
Total exports.....	29. 20	35. 10	41. 30	43. 30	
Total disappearance.....	59. 40	63. 70	70. 50	73. 30	
Carryout (July 31).....	5. 30	7. 70	7. 50	7. 70	
Value of production (millions).....	\$278. 60	\$332. 60	\$352. 20	\$359. 70	
Season average production (per hundredweight).....	\$5. 14	\$5. 04	\$5. 01	\$4. 92	
National average supply production (per hundredweight).....	\$4. 71	\$4. 71	\$4. 71	\$4. 71	\$4. 50

¹ From August 1965 crop report.

² Exceeds sum of items because of unaccounted for disappearance.

Rice export movement, both dollar and Public Law 480 (food for peace), have shown significant gains in recent years. Export movement total, dollar, and Public Law 480 for the marketing years 1961 through 1964 are shown below:

TABLE 16.—Exports dollar and Public Law 480, 1961 through 1964 marketing years
[Millions hundredweight, rough rice equivalent]

Item	1961-62	1962-63	1963-64	1964-65 ¹
Dollar.....	61.3	15.6	22.1	23.3
Public Law 480.....	12.8	19.5	19.2	20.0
Total.....	29.2	35.1	41.3	43.3

¹ Preliminary.

The costs of the rice program have risen sharply in the last few years. As shown below, the increase has resulted largely from the increased export of rice under the food for peace (Public Law 480) program.

TABLE 17.—Program costs
[Million dollars]

Item	Fiscal year—					
	1959	1960	1961	1962	1963	1964
Price support and export payment on dollar exports...	35.2	41.6	48.3	45.9	36.5	53.9
Food for peace (Public Law 480).....	35.5	98.0	109.3	88.8	123.4	125.8
Total.....	70.7	139.6	157.6	134.7	159.9	179.7

The value factors are based on the 1965-crop rice national average support price of \$4.50 per hundredweight, rough equivalent.

The 1965 crop value factors are:

TABLE 18

Group	Rough rice class of variety	Cents per pound	
		Head rice	Broken rice
I	Patna (except the varieties Belle Patna and Century Patna) and Rexoro (except the variety Rexark).....	8.92	3.8
II	Bluebonnet, Belle Patna, Vegold, Nira, and Rexark.....	8.32	3.8
III	Century Patna, Toro, Fortune, R.N., and Edith.....	7.32	3.8
IV	Blue Rose (including the varieties improved Blue Rose, Greater Blue Rose, Kamrose, and Arkrose), Calrose, Gulfrore, Northrose, Lacrosse, Magnolia, Nato, Nova, Zenith (including the varieties Gold Zenith and Golden Rose), Prelude, Lady Wright, and Saturn.....	6.82	3.8
V	Pearl, Early Prolific, Calady, and other varieties.....	6.77	3.8

SECTION-BY-SECTION ANALYSIS

Section 301

This section would amend the Agricultural Adjustment Act of 1938, as amended, to provide for an acreage diversion program for rice if the national acreage allotment for rice for 1966, 1967, 1968, or 1969 is less than the allotment for rice for 1965, so that gross income of rice producers would be supported at a level not lower than that

for 1965 minus any reduction in production costs resulting from the reduced acreage. Under such program conservation payments would be made to producers who comply with their rice allotments, devote a specified acreage to an approved conservation use and comply with requirements prescribed by the Secretary. The Secretary would be authorized to permit diverted acreage to be devoted to guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, and flax subject to the condition that payment shall be at a rate determined by the Secretary but shall not exceed one-half the rate otherwise applicable. The section would authorize not to exceed 50 percent of the payments to be made in advance of performance.

Section 302

This section would amend the Agricultural Act of 1949, as amended, to require the Secretary in determining support prices for the 1966 and 1967 crops of rice to use head and broken rice value factors for the various varieties which are not lower than those used on the 1965 crop and do not differ as between any two varieties by a greater amount than the 1965 crop.

TITLE IV—WOOL

This title amends the National Wool Act of 1954, as amended, to continue the authority for a program of incentive payments on wool and mohair. It would—

(1) Extend the wool and mohair program for 4 years through December 31, 1969.

(2) Fix the support price for shorn wool at 62 cents a pound, adjusted by the percentage change in the parity index from the 1958–60 average to the latest 3-year average (65 cents for 1966); provided, that support shall be made available to producers whose annual marketings do not exceed 1,000 pounds at a level not more than 5 cents a pound higher.

Explanation

This title changes present legislation by fixing the support at a definite, calculated level and by providing a higher support to producers who market less than 1,000 pounds of wool a year.

The word “producer” for purposes of the 5 cents per pound additional support price is intended to refer to a family farming unit or to a bona fide wool producer. It is not intended, for example, that the benefits of this provision be extended to a situation in which a farmer divides his sheep-raising operation among various members of his family in an artificial manner in order to keep the marketing of wool by each under 1,000 pounds.

The support level for wool has been 62 cents a pound since the payment program became effective in 1955. However, production costs have increased substantially, and the support price of 62 cents does not provide the same incentive now as it did when the program was first begun. Wool production has decreased in recent years.

Under this title, the support price would be raised or lowered according to changes in production costs, as measured by the parity index (the index of prices paid by farmers, including wages, taxes, and interest). On 1966 marketings, the support price would be 65 cents a pound for growers who market more than 1,000 pounds of wool.

Growers who do not market over 1,000 pounds of wool a year would receive an additional support not to exceed 5 cents a pound. Under this title, all producers would receive a higher support price in 1966 than they have received under the present program.

The higher level of support to the small growers would benefit most of the woolgrowers in the United States and encourage them to produce more wool.

Without this legislation, authority for incentive payments on wool will expire at the end of this year, and price support would have to be carried out by means of a loan program. This did not prove a satisfactory method in the past, as U.S. production piled up in Government inventories while U.S. consumption was filled increasingly by foreign wool and synthetic fibers.

BACKGROUND

The United States uses more wool than it produces. Since the United States is on an import basis, world market prices largely determine the price level for domestic wool. U.S. producers cannot compete with the lower cost producing areas. The payment method has proved to be a practical means of providing price assistance to producers, while permitting domestic wool to compete with foreign wool and synthetic fibers.

At the present level of production, payments on wool amount to about \$2.6 million for each 1 cent the support price is above the national average of prices received by growers. Increasing the support level from 62 to 65 cents a pound would increase both producer income and costs by about \$7.8 million. If growers who market less than 1,000 pounds of wool are given an added support of 5 cents a pound, it is estimated that costs would go up another \$2 million.

Payments made since the incentive program has been in effect are summarized below:

TABLE 19

Year: ¹	Total payments (thousands)	Year—Continued	Total payments (thousands)
1955.....	\$57,614	1960.....	\$59,490
1956.....	51,915	1961.....	56,895
1957.....	16,104	1962.....	² 33,992
1958.....	85,143	1963.....	27,200
1959.....	53,865	1964.....	20,300

¹ Marketing year, April to March, except 1963 and 1964. Data for 1963 represent payments for 9 months April to December, and 1964 payments were for calendar year.

² Includes payments of \$797,000 on mohair.

As noted in the table, payments on mohair were made in only 1 year, 1962. If mohair payments are required in the future, payments will be about \$300,000 for each 1 cent the support price exceeds the national average price.

SECTION-BY-SECTION ANALYSIS

Section 401

This section would amend the National Wool Act of 1954 to extend the support program on wool and mohair through December 31, 1969. It would require that the support price for shorn wool for the 1966 marketing year shall be determined by adjusting the support price for shorn wool for the 1965 marketing year by the ration of the average parity index for 3 calendar years preceding the year of announcement

of the support price to the average parity index for the calendar years 1958, 1959, and 1960. The support price for subsequent marketing years would be determined by adjusting the support price for 1965 by the same ratio except that the 3-calendar-year period used in such determination would be advanced. The section provides for the Secretary to make price support available to producers marketing not in excess of 1,000 pounds of wool in any marketing year at a level not more than 5 cents higher than the level otherwise available to producers in such year.

TITLE V—CROPLAND ADJUSTMENT

Principal provisions

1. Authorizes cropland adjustments program with a 4-year period (1966-69) for entering contracts.
2. Provides for contracts of 5 to 10 years.
3. New contracts signed in any year cannot provide for payments in any year in excess of \$225 million.
4. Not more than 50 percent of one allotment could be required to be put under program as condition of participation.
5. No lump-sum payments.
6. Person controlling farm for contract period could not be excluded from program because of nonownership if he has operated farm for 3 years.
7. Acreage diverted from any commodity under program would count toward price-support diversion requirements for that commodity.
8. Both county and community would be required to be protected from adverse economic effect of too much diversion of production.
9. An additional annual wildlife service payment may be made on retired land if the owner agrees to manage it for wildlife production in cooperation with the State fish and game agency and permit access to the land without charge by the general public for hunting, trapping, fishing, hiking, and other recreation, under applicable State and Federal regulations.
10. Provides for an Advisory Board on Wildlife.
11. Other Federal agencies, States, and local governmental agencies could acquire cropland for preservation of open spaces, natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution.

This title makes amendments to existing law so that the Secretary of Agriculture can enter into long-term contracts (5 to 10 years) with farmers to convert unneeded cropland to beneficial uses.

This program would supplement the commodity acreage diversion programs by providing long-term cropland adjustment at less cost. The Secretary would be expected to administer this program in conjunction with the commodity programs through the agricultural stabilization and conservation (ASC) committees with technical assistance as needed from other Federal and State agencies.

It would establish, protect, and conserve open spaces, natural beauty, wildlife, and recreation resources. It would help prevent air and water pollution.

The practices and uses would include the establishment of vegetative cover, water storage facilities, or other soil, water, wildlife, or forest conserving measures.

Where practicable, priority would be given to practices or uses which tend to permanently retire land to a noncrop status.

General explanation

The goal would be to have under contracts by the end of 1969 about 40 million acres of cropland to reduce production of unneeded crops and to use land for other purposes for the benefit of the public.

The new legislation would fill a gap in achieving a longer term shift of crop acreages to other needed uses. In so doing, it would avoid depressing the economy of local areas by limiting participation not only on a county basis but also on a community basis where necessary to do so. An administrative limitation of this type was found necessary under the conservation reserve program.

The bill specifically provides that the reduction in production in the county or local community shall be taken into account in applying this limitation to prevent such effect.

The period of contracts authorized under this title may run from 5 to 10 years. However, it is expected that efforts will be made by the Department to obtain longer term contracts. It is also expected that efforts will be made toward retiring substantial portions of base grain acreage having relatively good productivity so that the impact of the program on reduction in production goals of the Secretary of Agriculture will be most effectively achieved. With a view to encouraging farmers to continue to live on their farms, the committee has authorized annual payments on these contracts only, rather than a lump-sum payment for the entire contract period, it is understood that the Secretary will endeavor to make use of a "bid" procedure in obtaining contracts under this title, so that diversion of feed grains acreage to meet the Department's goal of reduction in production can be achieved without more cost than necessary.

The program would enable farmers to put their land to other uses and permit elderly farmers to reduce their farming operations while continuing to live on the land. However, it is expected that the Secretary would endeavor to exclude from participation any farm purchased for the purpose of placing it under contract. In so providing, the committee does not desire to exclude a farm of a person who has operated the land for 3 or more years and will control the land for the contract period even through the ownership may have changed during the preceding 3 years.

While supplementing the annual commodity adjustment programs, it would permit a farm to participate without requiring that he place under contract more than 50 percent of his permitted acreage of any one commodity designated by the Secretary as subject to acreage allotments or bases. Under this provision, all feed grains in this category would be considered as one commodity. After meeting this minimum, the producer would then be eligible to place under his contract any other portion of his eligible cropland on the same farm.

Another provision would permit a farm to receive credit under the price support requirements for a commodity for the acreage specifically diverted from that commodity under the terms of a contract entered into for the farm under the cropland adjustment program.

Sound wildlife management of retired cropland would be encouraged in the hope that much of his land could be made available to the general public for hunting, fishing, and other outdoor recreational use. The committee intends that the adjustment payments be increased by

an appropriate wildlife service payment, as specified, only where the landowner agrees to and does manage the land for wildlife protection in cooperation with the appropriate State fish and game agency. In these instances, the farmer would permit access to the land, without charge, by the general public in accordance with the applicable State and Federal regulations. This provision would encourage positive programs of wildlife management on retired cropland and could make several million acres available to the general public for hunting, fishing, trapping, hiking, and other recreation.

In administering this provision, the Secretary is expected to use State fish and game agencies as his technical arm to work with farmers in (1) adopting wildlife practices, (2) designating desirable areas in which additional payment should be offered, (3) evaluating the worth of the land for wildlife use, (4) formulating rules governing the use of the land. Where necessary, these agencies should be used to assist the Secretary in determining compliance with the agreement. The Secretary is also expected to coordinate his administration of this provision with the program of the Bureau of Outdoor Recreation. A producer who did not want to open his land to public access under this provision would not be precluded from participating in the program, applying wildlife uses to the land, and permitting limited public use on a fee basis. In such case, of course, he would not be entitled to the wildlife service payment.

The manner in which this provision might be administered is described in the following letter from the Department to Senator Nelson, who together with Senator Mondale, is the author of this provision:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 30, 1965.

HON. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: This is in response to a request from your office that we send you a general explanation of the administrative processes we would use in carrying out a provision such as you have proposed be added to title V of S. 1702. Your proposal is that the cropland adjustment program which would be authorized if S. 1702 is enacted in its present form, offer farmers an additional payment if they agree to permit public access to lands in the program for hunting, trapping, fishing, and hiking.

The arrangement you have proposed would be a new undertaking and the administrative techniques for maximum benefit from such a provision would need be developed as we gained experience with it. However, we believe that in initiating such an arrangement we would proceed somewhat as follows:

1. We would make known to all farmers who desire to participate in the program the fact that additional assistance is available to persons who enter into a satisfactory agreement with us to open their lands to authorized public uses.

2. Our local representatives would work very closely with local representatives of the game and fish commission in each State in:

- (a) Developing the kinds of wildlife practices that would be most appropriate.

- (b) Identifying farms where access for public use would be most desirable.

(c) Evaluating the worth of the farmland in the program for the specified public uses.

3. If the farmer and the game and fish commission representative could reach an agreement as to the wildlife potential of the land, the wildlife conservation measures that should be installed and the wildlife management practices that should be followed, these then would be incorporated into an agreement between the county agricultural stabilization and conservation service committee and the farmer and would form the basis on which an additional payment would be offered by the committee to the farmer.

4. We would expect to rely very heavily on the State game and fish commission representatives in the actual administration of the wildlife portion of our agreement with the farmer. For example: We would expect a representative of the State game and fish commission to determine how much public use safely could be made of the wildlife resource; to issue permits to control use of the wildlife facilities as necessary and to provide needed protection to the farmer from damage to his land. Also, we would expect a game and fish commission representative to provide us with reports as to whether the farmer was complying with the wildlife requirements of the agreement.

5. We would offer farmers a special payment for public use in any county where the State game and fish commission was convinced that this would further the overall objectives of the commission provided, of course, that the commission could provide the necessary related services.

We, in effect, would look to the commission as our technical service arm in respect to wildlife activities.

Sincerely,

JOHN A. BAKER,
Assistant Secretary.

The committee has also provided authority for the Secretary to establish an Advisory Board on Wildlife in view of the increasing need to conserve wildlife and to provide outdoor recreational opportunities for our expanding population. There is need to take advantage of the opportunity offered for outdoor recreational use of lands which are diverted from crop and other uses with the assistance of various programs of the Department of Agriculture.

In carrying out the cropland adjustment program, the Secretary would be prohibited from entering into agreements during any fiscal year which would require additional payments of more than \$225 million in any calendar year in excess of the payments already committed for that year under previous agreements.

BACKGROUND

Less and less land is being planted and harvested. Of the 460 million acres of cropland, farmers now harvest only about 300 million acres, the smallest acreage since the first decade of this century. As much as 75 million acres are being kept out of intensive production by means of farm programs.

Yet farmers and ranchers are feeding almost twice as many Americans and producing an excess greater than can be exported, even with the aid of large export programs.

Since 1950, yields per acre have almost doubled and are still increasing.

The result of all this is that the United States has an opportunity to put many acres to more desirable uses, to conserve and improve them for later use, to safeguard and improve water supplies by maintaining erosion-resisting cover on watersheds, to increase recreational facilities for the growing population, and to protect the natural beauty of outdoor America—at the same time, making the commodity programs more efficient and economical.

It is in recognition of this many-faceted opportunity that the committee recommends the cropland adjustment provisions of this bill.

SECTION-BY-SECTION ANALYSIS

Title V would extend the Soil Bank Act to authorize a long-term cropland adjustment program under which the Secretary would be authorized to enter into long-term agreements with producers to assist them in diverting their cropland to vegetative cover, water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, or practices or uses for the establishment, protection, and conservation of open spaces, natural beauty, wildlife, and recreational resources and for the prevention of air and water pollution.

Section 501

This section contains 11 amendments to section 107 of the Soil Bank Act.

Amendment (1) would change the minimum contract period from 3 to 5 years.

Amendment (2) would authorize additional practices or uses relating to open spaces, natural beauty, wildlife and recreational resources, and air and water pollution. Priority would be given to practices or uses most likely to result in permanent retirement to noncrop uses.

Amendment (3) would provide that the producer shall not be required, as a condition of placing such cropland as he may desire under the contract, to reduce his acreage of more than one commodity subject to acreage or making restrictions, or to reduce his acreage of that commodity by more than 50 percent below the amount permitted by such restrictions.

Amendment (4) would prohibit grazing of the designated acreage during the contract period except in cases of natural disaster.

Amendment (5) would permit the Secretary to require forfeiture or refund of such part of the total payments as he determines to be appropriate in the case of a violation warranting termination.

Amendment (6) would provide that the Secretary shall not require a person who has operated land for as long as 3 years preceding the date of the contract and who controls the land for the contract period to own the land as condition of eligibility for placing such land in the program.

Amendment (7) would clarify the authority of the Secretary to make cost-shaving payments on the basis of average costs for the county or area in which the farm is situated.

Amendment (8) would provide that the rate or rates of the annual adjustment payment would be increased if the producer agreed to permit access to such acreage by the public for hunting, trapping,

fishing, and hiking, under applicable State and Federal regulations. Under this provision the Secretary would be expected to pay a small wildlife incentive payment annually on qualified lands as designated by State fish and game agencies. The incentive payment could be paid to producers who manage retired land for wildlife production in cooperation with State fish and game agencies and agree to open it to the public without charge for hunting, fishing, trapping, hiking, and other recreation.

Amendment (9) would make it clear that the Secretary is authorized to prescribe by regulation those violations which are of such nature as to defeat or substantially impair the purposes of the contract.

Amendment (10) would provide that the total acreage placed under contract in any county or local community would be limited to a percentage of the total eligible acreage in such county or local community as the Secretary determines would not adversely affect the economy of the county or local community. In making such determination the Secretary would give appropriate consideration to the productivity of the land being retired.

Amendment (11) would provide that the acreage on any farm which is diverted from the production of any commodity pursuant to a soil bank contract shall be deemed to be acreage diverted from that commodity for the purposes of any program under which diversion is required as a condition of eligibility for price support.

Section 502

This section contains three amendments to section 109 of the Soil Bank Act.

Amendment (1) would authorize the Secretary to formulate a program and enter into contracts with producers during the period 1966-69 to be carried out during the period ending not later than December 31, 1978.

Amendment (2) would restrict the existing provisions of the Soil Bank Act permitting 15-year contracts to contracts involving tree cover entered into during the 5-year period 1956-60.

Amendment (3) would provide that the Secretary shall not enter into contracts which would require payments, including the costs of materials and services, in excess of \$225 million in any calendar year.

Section 503

This section contains two amendments.

Amendment (1) is a technical amendment to section 111 to conform the language to the additional practices authorized.

Amendment (2) would make discretionary with the Secretary the requirement that producers comply with farm acreage allotments as a condition for payments under the program.

Section 504

This section would permit the Secretary, for the purposes of obtaining an increase in the permanent retirement of cropland to non-crop uses, if he determined that the purposes of the program would be accomplished by such action, to transfer funds appropriated for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution under terms and conditions consistent with and at

costs not greater than those under agreements with producers, and would authorize the Secretary, under the same conditions, to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife, and recreational resources, and prevent air and water pollution. In addition, this section would authorize the Secretary to appoint an Advisory Board on Wildlife to advise and consult on matters relating to his functions under the Soil Bank Act.

Section 505

This section would repeal section 123 of the Soil Bank Act relating to civil penalties except that such repeal would not abate any penalty previously incurred by a producer.

Section 506

This section would authorize the Secretary to provide for preservation of cropland, crop acreages and allotment history applicable to acreage diverted from the production of crops for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation or for participation in such program, and would repeal existing provisions relating to preservation in the Soil Bank Act and the Soil Conservation and Domestic Allotment Act.

TITLE VI—COTTON

Principal provisions

1. Domestic allotment program continued for 4 years (1966–69).
2. Payments of 25 percent of basic support for 1966, 20 to 40 percent for subsequent years to farmers who plant only their domestic allotments.
3. Basic price-support level to continue under previous legislation at 65 to 90 percent of parity on the entire production of the entire acreage allotment.
4. Minimum national domestic allotment equal to 65 percent of the national acreage allotment.
5. Minimum farm domestic allotment equal to the smaller of 10 acres or the farm allotment.
6. Payments for 4-year period to other than producers and domestic users at 3 cents per pound.
7. CCC export sales or export payments required to be put on a bid or offer and acceptance basis without advance announcement of prices or subsidy rates (effective for 4 years).

Committee deliberations

The committee devoted considerable time and attention to the very difficult cotton program. It was agreed that stocks of cotton must be reduced (since the carryover will reach 15.5 million bales next August 1), and that exports of cotton from this country into world-consuming markets must be increased. However, there was a wide divergence of opinion as to how this could best be achieved.

The House bill, H.R. 9811, provides for a so-called one-price program with the loan rate being set at 21 cents per pound for 1966, and not more than 90 percent of the world price for 1967, 1968, and 1969. For the first year (assuming that the domestic allotment was fixed by the Secretary at 65 percent of the national acreage allotment) producers would receive payments of 14.65 cents per pound for re-

ducing their acreage by 35 percent, 13.04 cents for cuts of 25 to 35 percent and 11.42 cents per pound for those who reduced only the mandatory 15 percent below the acreage allotment. These payments would not be made on the total production of the acreage allotment or of the total acreage planted, but only on the projected yield of the acreage planted within the domestic allotment (not less than 65 percent of the acreage allotment). For 1967, 1968, and 1969, the minimum mandatory support level would be 65 percent of parity on the projected yield of 65 percent of the farm acreage allotment. This would average out to a minimum support level of 42.25 percent of parity, if it were applied to the projected yield of the entire acreage allotment. However, under the House bill, the producer would not be entitled to any price support if he planted in excess of 85 percent of his acreage allotment. The minimum guaranteed support provided by the House bill is therefore something less than a producer would receive if he could plant his entire allotment and receive a support price of 42.25 percent of parity. This computation does not take into account the additional support provided by section 103(d)(4) of the Agricultural Act of 1949, as added by section 402 of the House bill, since no minimum is prescribed for these payments and they could therefore under the bill be infinitesimally small.

On the other hand the cotton program finally adopted by the committee would retain the basic features of the 1958 law." Price supports would be set at between 65 and 90 percent of parity, and the producer would be assured of support at not less than 65 percent of parity on the entire production of his entire acreage allotment. A mill subsidy of 3 cents per pound would be provided in order to continue increased domestic use, with a larger export subsidy in order to encourage exports. It also includes a so-called domestic allotment plan whereby producers who agree to cut acreage by 35 percent to the domestic portion of their allotment would receive incentive payments at between 20 and 40 percent of the basic support price. Payment for the first year would be at a rate equal to 25 percent of the support price.

It also includes a small farm provision which applies to those farmers having allotments of 10 acres or less. These small producers would not have to reduce their acreage in order to be eligible for the price-support payments, whereas under the House bill all producers would have to cut by at least 15 percent to be eligible for the smallest payment and by 35 percent in order to be eligible for the highest payment.

In 1964, 55.7 percent of the cotton farms in the United States had allotments of 10 acres or less (see table 20). Therefore, the small farm provision would give both price and income protection to a majority of cotton producers in the country. In many respects it is essential to the economies of the thousands of small local communities throughout the cotton-growing area which depend almost entirely upon cotton for their well-being. In the absence of cotton many would become pockets of poverty overnight with many of those who now depend upon cotton for their livelihood moving into the larger communities, hereby creating additional problems for those areas.

Since the carryover at the end of the present crop year will reach an alltime high of about 15.5 million bales, the committee felt it imperative that these stocks be reduced to more manageable levels

During the next few years the total market for U.S. cotton, with vigorous sales effort on our part, would be about 15 million bales. This just about equals present yearly production. Therefore, the only way to reduce stocks is to reduce production to levels below that of consumption. The domestic allotment provisions of the bill are designed to achieve this goal in an orderly and voluntary manner.

As an incentive, producers who voluntarily agree to cut acreage to the domestic portion of the allotment, which amounts to 65 percent of the total allotment, will receive payments in addition to price supports. For the first year these incentive payments are set at 25 percent of the price-support level set by the Secretary. In subsequent years the incentive payment rate can be set at any level at between 20 and 40 percent of the support price. This range will permit the Secretary to choose that rate which he feels will achieve the goal of orderly stock reduction. Producers may still plant their full allotment and be eligible for price supports at between 65 and 90 percent of parity as determined by the Secretary.

It is also imperative that the United States export its fair share of world cotton-consuming requirements. The continuing decrease in U.S. exports has contributed materially to our increased stocks. Unless this trend is reversed the United States may well find itself producing only for the domestic market. For example, during the 5-year period, 1956-60, our exports averaged 6 million bales per year. The average for the 1961-65 period, however, amounts to only 4.4 million bales, a decline of about 27 percent during this short period. Had we been able to maintain our exports at the 6-million-bale level our carryover next year would be less than 8 million bales rather than the indicated 15.5-million-bale record high. The committee felt that the practice by the Department of Agriculture of announcing a fixed subsidy prior to the beginning of the marketing year, which has remained in effect throughout the year without change, has been detrimental to our export effort. Under this system our foreign competitors could easily underbid the U.S. exporters and dispose of their crops readily while we become residual suppliers. Therefore, the committee amended the existing law to prohibit the preseason announcement of our export price and instead provided authority for a bid procedure, under which U.S. exporters would be in a better position and on equal footing with other suppliers of the world cotton market.

The committee feels very strongly about regaining our rightful share of the world market. That share can be determined easily, based upon our historical exports in world markets, and should be not less than 6 million bales. The committee expects the Department of Agriculture to do all in its power to see that the United States regains its proper share of the world market.

Cost of program

Usually the committee requests the Department of Agriculture to prepare cost figures on the programs under consideration. The estimates are for programs which would go into effect in subsequent years. Normally the Department accedes to the request and provides the committee with projected estimates. This is a very difficult assignment. The variables contained in any program require assumptions.

For example, in determining the cost of the cotton programs adopted by the committee a number of assumptions must be made. First, it is necessary to assume a level of participation in the domestic allotment plan. Second, participation in the cropland adjustment program has to be considered. Third, rates of underplanting and abandonment must be assumed. Fourth, an estimated yield per acre is required and this depends upon the number of harvested acres. And, fifth, it is necessary to predict both domestic consumption and exports, not for the 1965 crop, but, for the crop year which begins August 1, 1966, and goes through July 31, 1967. For the alternative program before the committee (a variation of the House bill) even more assumptions are required because that program is more complex, having three payment levels.

Nevertheless, the Department responded affirmatively and submitted estimates on the programs before the committee. These appear below in table 21, as submitted as of August 28, 1965. Subsequently the Department revised these data limiting their projections to the provisions of H.R. 9811 and Committee Print No. 2 of S. 1702. These projections appear below in tables 22 and 23.

The committee assumes that the Department of Agriculture provides the very best estimates possible; however, these are only estimates and could be just as wrong as they are correct.

For example, last year when the committee was considering the 1964 cotton program, the Department was asked to submit cost estimates on H.R. 6196, as amended by the Senate and on the so-called Ellender proposal. These estimates are shown in columns 1 and 2 of tables 24 and 25. The actual results as of April 1965, are shown in column 3 of the same tables.

The effort by the Department last year to predict the future was not very successful. As a matter of fact the Department could not have been more incorrect. The cost of the bill that is now the law was estimated at \$448 million. But, the actual cost of the program as submitted by the Department in June 1965 amounted to \$892.7 million.

It was originally estimated that CCC stocks would be reduced by 2,150,000 bales, but the actual results show an increase of 550,000 bales for a total error of 2,700,000 bales.

Originally, domestic mill consumption was supposed to increase by 1,100,000 bales, but, actual results show an increase of only 600,000 bales, just slightly over half of what was supposed to occur. These and other errors in judgment in their estimates are an example of what can happen when projections are used as facts.

The cotton situation was actually aggravated and intensified by the so-called one-price cotton act adopted last year.

Under the one-price system exports fell off alarmingly. From a 5.7 million bale export level in 1963-64, exports declined to only 4 million bales during the 1964-65 marketing year, and the outlook is for another very poor export year under that act.

Stocks of cotton increased from 12.1 million bales to 14.2 million bales, and with another 15-million-bale crop should reach 15.5 million bales at the end of this marketing year. This is the highest ever recorded.

The House bill, H.R. 9811, provides for a one-price level of only 21 cents in 1966. This is down 2.5 cents from the 23.5 cent one-price

cotton established in 1964. For the years after 1966 farmers will be faced with a price level at not more than 90 percent of the world market price with no minimum level provided. This would be disastrous to American farmers.

The provisions adopted by the committee would return cotton to the standards adopted in 1958.

Under the proposal offered in this bill farmers will be protected and a way provided for increased exports and domestic consumption, as well as a decline in carryover stocks. The committee hopes that producers will recognize the seriousness of the situation and cooperate fully in making the program work well and efficiently, for the committee fears that unless they do, cotton and the millions who depend upon it for a livelihood will face a very bleak future.

TABLE 20.—1964 upland cotton: Percent of original allotment farms by size groups

State	Number of original allotment farms	Size of original allotment (in percent) ¹										
		0.1 to 4.9 acres	5 to 10 acres	10.1 to 14.9 acres	15 to 29.9 acres	30 to 49.9 acres	50 to 99.9 acres	100 to 199.9 acres	200 to 349.9 acres	350 to 499.9 acres	500 to 999.9 acres	1,000 acres and over
Alabama.....	93,714	40.6	34.0	10.5	9.6	2.9	1.6	0.6	0.2	(²)	(²)	(²)
Arizona.....	3,218	6.9	9.9	9.1	15.9	13.3	17.2	14.5	7.7	2.5	2.2	0.8
Arkansas.....	44,244	20.6	24.3	15.1	19.9	8.1	6.4	3.4	1.3	.4	2.2	.1
California.....	10,467	11.5	11.6	17.0	17.9	12.4	14.3	9.0	3.6	1.0	1.2	.5
Florida.....	5,589	56.7	27.7	7.0	6.7	1.3	.5	.1	(²)	(²)	(²)	(²)
Georgia.....	61,730	30.0	32.3	12.9	15.8	5.3	2.8	.8	.1	(²)	(²)	(²)
Illinois.....	335	59.1	21.5	8.1	5.9	3.3	1.2	.6	.3	(²)	(²)	(²)
Kansas.....	3	100.0										
Kentucky.....	805	68.6	14.8	3.0	6.2	4.1	2.2	1.0	.1	(²)	(²)	(²)
Louisiana.....	27,330	23.2	32.2	13.8	16.7	6.2	4.6	2.2	.8	.2	.2	.1
Mississippi.....	73,128	32.8	30.4	12.3	12.9	4.5	3.3	2.0	1.1	.4	.2	.1
Missouri.....	14,006	21.0	19.6	14.8	22.4	10.7	7.9	2.7	.6	.2	5.0	(²)
Nevada.....	20		5.0		15.0	15.0		55.0				(²)
New Mexico.....	4,870	15.2	17.5	10.0	22.7	14.7	13.4	4.9	1.3	.1	(²)	(²)
North Carolina.....	66,742	61.6	23.3	6.6	5.6	1.8	.9	1.7	(²)	(²)	(²)	(²)
Oklahoma.....	34,198	18.0	22.1	13.3	24.4	12.7	7.5	1.7	.2	.1	(²)	(²)
South Carolina.....	59,332	44.3	26.5	10.6	11.0	4.1	2.6	.7	.2	(²)	(²)	(²)
Tennessee.....	51,332	43.0	29.2	10.7	10.0	3.4	2.0	.6	.1	.4	.2	.1
Texas.....	152,618	10.9	12.1	9.4	23.6	16.4	17.4	7.6	1.9			
Virginia.....	4,712	79.6	14.7	3.2	1.9	.5	.1	(²)				
United States.....	708,393	31.2	24.5	10.9	15.4	7.6	6.5	2.8	.8	.2	.1	(²)

¹ Original allotments refer to those established for all farms prior to release and reapportionment programs.² Less than 0.05 percent.

TABLE 21.—*Upland cotton—Estimates of basic data, fiscal 1966-67*

	S. 1702 (Aug. 29, 1965), Ellender proposal	H.R. 9811, passed by House	S. 1702 (Aug. 29, 1965); H.R. 9811, Talmadge proposal
Allotted (thousand acres).....	16,200	16,200	16,200
Planted (thousand acres).....	13,900	11,630	11,630
Harvested (thousand acres).....	13,500	11,450	11,450
Yield (pounds per acre).....	¹ 530	¹ 565	¹ 565
Supply and utilization (thousand bales):			
Beginning carryover.....	15,400	15,400	15,400
Production.....	14,900	13,500	13,500
City crop and imports.....	100	100	100
Domestic consumption.....	8,800	9,500	9,500
Exports.....	6,000	5,300	5,300
Ending carryover.....	15,600	14,200	14,200
Support price M-1 (cents per pound).....	28.00	21.00	21.00
Domestic PIK rate (cents per pound).....	3.00		
Export subsidy (cents per pound).....	9.00		
Domestic allotment payment rate (cents per pound).....	7.00	(²)	(³)
Farm value of production and payments (million dollars).....	2,212	2,275	2,261
Expenditures (million dollars):			
Net price support.....	-28	+129	+129
Storage and handling charges.....	-61	-55	-55
Equalization payments (domestic).....	-132		
Export subsidy (cotton and cotton products).....	-288		
Public Law 480 (cotton only).....	-100	-112	-112
Domestic allotment payments.....	-119	⁴ -685	⁴ -671
Total.....	-728	-723	-709
Change in CCC stocks (June 30)(bales).....	+200,000	-1,200,000	-1,200,000

¹ Assumes adjustment in skip row for 1966 crop.² 14.65, 13.04, and 11.42 cents.³ 14.65, 13.04, and 10.62 cents.⁴ Includes \$25,000,000 CAP payments.

EFFECT OF CONTINUING SKIP ROW REGULATIONS FOR THE 1965 CROP

All of the estimates on the attached sheet assume adjustment of skip row regulations as proposed in the Federal Register in April 1965. If skip row regulations were not modified, production under all three of the programs shown on the attached sheet would increase by around 1,500,000 bales. The larger production would increase the size of the carryover and acquisitions by CCC. The additional costs would roughly be as follows:

1. S. 1702, Ellender proposal, \$216,000,000.
2. H.R. 9811, as passed by the House, \$164,000,000.
3. H.R. 9811, Talmadge proposal, \$164,000,000.

TABLE 22.—Upland cotton—Estimates of basic data, 1966 to 1969 crops, H.R. 9811 ¹

	1966	1967	1968	1969
Allotted (1,000 acres).....	16,200	16,200	16,200	16,200
Planted (1,000 acres).....	11,630	11,150	10,850	10,550
Harvested (1,000 acres).....	11,450	10,950	10,650	10,350
Yield (pounds per acre).....	565	580	600	615
Supply and utilization (1,000 bales):				
Beginning carryover.....	15,400	14,200	12,500	10,700
Production.....	13,550	13,200	13,300	13,300
City crop and imports.....	100	100	100	100
Domestic consumption.....	9,500	9,500	9,500	9,500
Exports.....	5,300	5,500	5,700	5,900
Ending carryover.....	14,200	12,500	10,700	8,700
Support price M-1 (cents per pound).....	21.0	20.5	20.0	19.5
Domestic PIK rate (cents per pound).....				
Export subsidy (cents per pound).....				
Domestic allotment payment rate (cents per pound).....	14.65	14.52	14.38	14.25
	13.04	12.94	12.85	12.75
	11.42	11.37	11.31	11.25
Farm value of production and payments (millions).....	\$2,275	\$2,264	\$2,267	\$2,268
Expenditures (millions):				
Net price support.....	+\$129	+\$183	+\$189	+\$205
Storage and handling charges.....	-55	-48	-41	-33
Equalization payments (domestic).....				
Export subsidy (cotton and cotton products).....				
Public Law 480 (cotton only).....	-112	-110	-107	-105
Domestic allotment payments ²	-685	-719	-752	-786
Total.....	-723	-694	-711	-719
Change in CCC stocks (June 30) bales.....	-1,200,000	-1,700,000	-1,800,000	-2,000,000

¹ Assumes adjustment in skip row.² Includes \$25,000,000 CAP payments.TABLE 23.—Upland cotton, projected yields—Estimates of basic data, 1966 to 1969 crops, Ellender bill ¹

	1966	1967	1968	1969
Allotted (1,000 acres).....	16,200	16,200	16,200	16,200
Planted (1,000 acres).....	13,500	11,100	11,150	11,200
Harvested (1,000 acres).....	13,100	10,900	10,950	11,000
Yield (pounds per acre).....	535	580	595	610
Supply and utilization (1,000 bales):				
Beginning carryover.....	15,400	15,300	13,850	12,950
Production.....	14,600	13,150	13,600	14,000
City crop and imports.....	100	100	100	100
Domestic consumption.....	8,800	8,700	8,600	8,500
Exports.....	6,000	6,000	6,000	6,000
Ending carryover.....	15,300	13,850	12,950	12,550
Support price M-1 (cents per pound).....	28.0	28.0	28.0	28.0
Domestic PIK rate (cents per pound).....	3.0	3.0	3.0	3.0
Export subsidy (cents per pound).....	9.0	9.0	9.0	9.0
Domestic allotment payment rate (cents per pound).....	7.0	11.2	11.2	11.2
Farm value of production and payments (millions).....	\$2,259	\$2,635	\$2,692	\$2,745
Expenditures (millions):				
Net price support.....	+\$14	+\$203	+\$126	+\$56
Storage and handling charges.....	-60	-54	-50	-47
Equalization payments (domestic).....	-132	-130	-129	-127
Export subsidy (cotton and cotton products).....	-288	-288	-288	-288
Public Law 480 (cotton only).....	-100	-100	-100	-100
Domestic allotment payments.....	-187	-665	-690	-715
Total.....	-753	-1,034	-1,131	-1,221
Change in CCC stocks (June 30) bales.....	-100,000	-1,450,000	-900,000	-400,000

¹ Assumes adjustment in skip row.

TABLE 24.—Upland cotton—Estimates of basic data for various programs

Item	H. R. 6196, 1964 crop (Feb. 19, 1964) ¹	Senator Ellender's proposal of Feb. 17, 1964	1964 crop (latest estimate), April 1965 outlook ²
	(1)	(2)	(3)
Acreage (thousands):			
Allotted.....	16, 200	16, 200	16, 200
Soil bank, conservation reserve.....	413	413	413
Planted.....	12, 650	14, 800	14, 729
Harvested.....	12, 150	14, 200	13, 953
Yield: Pound per acre harvested.....	508	480	517
Domestic allotment (1,000 acres).....	10, 800		10, 766
Supply and utilization (1,000 bales):			
Production.....	12, 850	14, 200	15, 031
Beginning stocks (including preseason ginning).....	12, 850	12, 850	12, 125
Imports and city crop.....	100	100	100
Domestic disappearance.....	9, 600	9, 000	9, 300
Exports.....	5, 000	5, 000	4, 500
Ending stocks.....	11, 200	13, 150	13, 450
In cents			
Support price per pound (middling 1 inch).....	30. 00	30. 00	30. 0
Support price per pound (average of crop).....	29. 25	29. 25	29. 3
Domestic allotment payment rate.....	3. 50	³ 2. 47	3. 5
Effective price domestic (average of crop).....	23. 00	⁴ 29. 50	23. 0
Effective price, export (average of crop).....	23. 00	23. 00	23. 0
PIK rate per pound.....	6. 50	⁵ 6. 50	6. 5
Producer payments on domestic allotment acreage.....	\$102	\$45	\$40
Farm value of production (millions).....	1, 895	2, 094	2, 250
Total of production, payments, and savings.....	1, 997	2, 139	2, 290

¹ Estimates made on Feb. 19, 1964, on the assumption H. R. 6196 would be enacted in time to reduce the 1964 planted acreage of cotton.

² This estimate made on June 21, 1965, with only 2 months left in the 1964-65 crop year.

³ On 1st 10 bales.

⁴ Any mill which increased its consumption by 20 percent for 2 years would be able to obtain its cotton at an average of 1.5 cents per pound less (20 percent divided by 120 percent times 9 cents).

⁵ Export.

TABLE 25.—*Upland cotton—Comparison of estimated expenditures for various programs*

[In millions of dollars]

Fiscal year	1964-65, H. R. 6196 as amended by the Senate committee (1)	1964-65, Senator Ellender's proposal of Feb. 17, 1964 (2)	1964-65, April 1965 outlook (3)
Major items of receipts or expenditures:			
Loans made.....	-405	-1,047	-1,087.5
Loans repaid.....	+207	+280	+343.3
Sales proceeds.....	+403	+563	+624.2
Storage and handling charges.....	-60	-91	-58.0
Subtotal, price support.....	+145	-295	-178.0
Export subsidy.....	0	-3	-13.5
Cotton products.....	0	-13	-3.5
Public Law 480.....	-117	-117	-151.0
PIK, equalization payment (domestic and export).....	¹ -374	² -27	-464.7
Interim payments (on bales opened from Apr. 11 to July 31, 1964).....			-25.0
Domestic allotment payments.....	-102	³ -45	⁴ -57.0
Total major expenditures (excluding interest) ¹	⁵ -448	-500	-892.7
Change in CCC stocks (June 30) (from prior year).....	-2,150,000	+300,000	+550,000

¹ This payment on 9.6 domestic consumption would be only \$312,000,000, balance of payment would be on cotton that would go for export. The additional cotton for export will be purchased from CCC at reduced prices.

² Based on 0.6 million bales, at 9 cents.

³ Based on 2.47 cents on first 10 bales.

⁴ Includes advance payments on 1965 domestic allotment program.

⁵ If sufficient export acres were permitted to produce 300,000 bales, this would increase both expenditures and farm income about \$34,000,000.

NOTE.—Does not include the "1-time" transition expenditures that could be incurred in 1963-64 or 1964-65 under new legislation.

STATISTICS

The following tables summarize (a) cotton acreage and yield by areas, (b) production, (c) supply and distribution, and (d) a summary of various program data.

TABLE 26.—*Cotton: Acreage, planted and harvested, and yield per acre on harvested acreage, by regions, 1950 to date*

Crop year beginning Aug. 1	West ¹		Southwest ²		Delta ³		Southeast ⁴		Total	
	Thou- sand acres	Per- cent	Thou- sand acres	Per- cent	Thou- sand acres	Per- cent	Thou- sand acres	Per- cent	Thou- sand acres	
	Planted acreage ⁵									
1950-----	1,051	5.6	8,130	43.1	5,740	30.4	3,945	20.9	18,866	
1951-----	2,227	7.6	14,915	50.8	7,325	25.0	4,886	16.6	29,353	
1952-----	2,398	8.5	13,710	48.9	6,858	24.4	5,099	18.2	28,065	
1953-----	2,384	8.9	11,794	43.9	7,570	28.1	5,124	19.1	26,872	
1954-----	1,546	7.7	9,239	46.1	5,576	27.8	3,691	18.4	20,052	
1955-----	1,332	7.4	8,495	47.2	4,881	27.1	3,283	18.3	17,991	
1956-----	1,338	7.8	8,054	47.2	4,605	27.0	3,080	18.0	17,077	
1957-----	1,289	9.0	6,838	47.8	3,959	27.7	2,224	15.5	14,310	
1958-----	1,323	10.7	6,105	49.3	3,369	27.2	1,582	12.8	12,379	
1959-----	1,497	9.5	7,435	47.0	4,346	27.4	2,555	16.1	15,833	
1960-----	1,619	10.1	7,455	46.4	4,433	27.5	2,573	16.0	16,080	
1961-----	1,446	7	7,785	46.9	4,639	28.0	2,718	16.4	16,588	
1962-----	1,454	8.9	7,595	46.6	4,573	28.1	2,671	16.4	16,293	
1963-----	1,353	9.1	6,845	46.1	4,165	28.1	2,480	16.7	14,843	
1964-----	1,341	9.0	6,839	46.1	4,182	28.2	2,477	16.7	14,839	
1965-----	1,282	9.0	6,500	45.5	4,134	28.9	2,378	16.6	14,294	
Harvested acreage										
1950-----	1,026	5.8	7,495	41.9	5,493	30.8	3,829	21.5	17,843	
1951-----	2,179	8.1	13,335	49.4	6,650	24.7	4,785	17.8	26,949	
1952-----	2,357	9.1	11,920	46.0	6,633	25.6	5,011	19.3	25,921	
1953-----	2,347	9.6	9,920	40.8	7,028	28.9	5,046	20.7	24,341	
1954-----	1,509	7.8	8,660	45.0	5,459	28.4	3,623	18.8	19,251	
1955-----	1,287	7.6	7,690	45.5	4,746	28.0	3,205	18.9	16,928	
1956-----	1,290	8.3	6,915	44.3	4,441	28.4	2,969	19.0	15,615	
1957-----	1,248	9.2	6,445	47.5	3,683	27.2	2,182	16.1	13,558	
1958-----	1,288	10.9	5,805	48.9	3,206	27.1	1,550	13.1	11,849	
1959-----	1,459	9.7	6,975	46.1	4,195	27.7	2,488	16.5	15,117	
1960-----	1,577	10.3	6,955	45.4	4,284	28.0	2,493	16.3	15,309	
1961-----	1,409	9.0	7,205	46.1	4,404	28.2	2,616	16.7	15,634	
1962-----	1,418	9.1	7,112	45.7	4,434	28.5	2,605	16.7	15,569	
1963-----	1,310	9.2	6,440	45.3	4,042	28.5	2,420	17.0	14,212	
1964 ⁶ -----	1,309	9.3	6,250	44.5	4,080	29.0	2,421	17.2	14,060	
Yield per acre on harvested acreage										
West ¹		Southwest ²		Delta ³		Southeast ⁴		United States		
Actual	Trend ⁷	Actual	Trend ⁷	Actual	Trend ⁷	Actual	Trend ⁷	Actual	Trend ⁷	
<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	
1950-----	764	657	204	195	307	345	209	281	269	286
1951-----	625	683	163	211	322	372	331	294	289	307
1952-----	629	721	164	220	366	392	277	302	280	322
1953-----	646	766	230	233	385	389	275	300	324	331
1954-----	862	806	235	246	395	404	296	323	341	351
1955-----	818	830	281	260	536	430	405	343	417	373
1956-----	957	865	269	279	499	449	359	347	409	392
1957-----	974	901	290	299	392	463	334	354	388	410
1958-----	983	947	382	311	430	477	422	364	466	425
1959-----	975	966	330	324	546	505	386	382	461	444
1960-----	937	987	331	331	497	516	371	391	446	455
1961-----	959	-----	343	-----	489	-----	338	-----	438	-----
1962-----	1,056	-----	339	-----	510	-----	363	-----	457	-----
1963-----	1,034	-----	354	-----	642	-----	461	-----	517	-----
1964 ⁶ -----	1,031	-----	338	-----	643	-----	488	-----	517	-----

¹ West includes California, Arizona, New Mexico, and Nevada.² Southwest includes Texas, Oklahoma, and Kansas.³ Delta includes Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky.⁴ Southeast includes Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.⁵ Not adjusted for final acreage compliance with allotments.⁶ Crop Reporting Board report of May 10, 1965.⁷ Trend yield is 9-year centered average yield.

TABLE 27.—*Production and percentage distribution of cotton by regions, United States, 1930 to date*

Crop year beginning Aug. 1	Production (1,000 bales, 500 pounds gross weight)					Percentage of U.S. crop			
	West ¹	South- west ²	Delta States ³	South- east ⁴	United States	West ¹	South- west ²	Delta States ³	South- east ⁴
1930.....	519	4,892	3,589	4,933	13,932	4	35	26	35
1931.....	393	6,582	5,464	4,658	17,097	2	39	32	27
1932.....	270	5,584	3,921	3,228	13,003	2	43	30	25
1933.....	407	5,694	3,389	3,556	13,047	3	44	26	27
1934.....	466	2,722	3,157	3,291	9,636	5	28	33	34
1935.....	449	3,523	3,171	3,495	10,638	4	33	30	33
1936.....	744	3,223	4,724	3,708	12,399	6	26	38	30
1937.....	1,214	5,927	6,787	5,017	18,946	6	31	36	27
1938.....	716	3,649	4,572	3,007	11,943	6	31	38	25
1939.....	747	3,372	4,645	3,052	11,817	6	29	39	26
1940.....	868	4,036	4,122	3,540	12,566	7	32	33	28
1941.....	691	3,370	4,266	2,417	10,744	6	31	40	23
1942.....	706	3,746	5,108	3,256	12,817	6	29	40	25
1943.....	580	3,207	4,502	3,138	11,427	5	28	39	28
1944.....	579	3,280	4,939	3,432	12,230	5	27	40	28
1945.....	576	2,079	3,644	2,716	9,015	7	23	40	30
1946.....	758	1,931	3,413	2,539	8,640	9	22	39	30
1947.....	1,185	3,767	4,192	2,716	11,860	10	32	35	23
1948.....	1,532	3,527	6,282	3,536	14,877	10	24	42	24
1949.....	2,088	6,650	4,878	2,512	16,128	13	41	30	16
1950.....	1,639	3,188	3,518	1,669	10,014	16	32	35	17
1951.....	2,842	4,536	4,467	3,304	15,149	19	30	29	22
1952.....	3,098	4,072	5,068	2,901	15,139	21	27	33	19
1953.....	3,167	4,754	5,645	2,899	16,465	19	29	34	18
1954.....	2,716	4,234	4,507	2,240	13,697	20	31	33	16
1955.....	2,201	4,502	5,313	2,705	14,721	15	31	36	18
1956.....	2,578	3,876	4,629	2,227	13,310	19	29	35	17
1957.....	2,539	3,895	3,010	1,520	10,964	23	36	27	14
1958.....	2,644	4,621	2,883	1,364	11,512	23	40	25	12
1959.....	2,973	4,797	4,784	2,004	14,558	20	33	33	14
1960.....	3,086	4,804	4,448	1,934	14,272	22	34	31	13
1961.....	2,823	5,155	4,497	1,843	14,318	20	36	31	13
1962.....	3,128	5,037	4,724	1,978	14,867	21	34	32	13
1963.....	2,830	4,753	5,423	2,328	15,334	19	31	35	15
1964 ⁵	2,821	4,409	5,483	2,467	15,180	19	29	36	16

¹ West includes California, Arizona, New Mexico, and Nevada.² Southwest includes Texas, Oklahoma, and Kansas.³ Delta includes Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky.⁴ Southeast includes Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.⁵ Crop report of May 10, 1965, Statistical Reporting Service.

TABLE 28.—Summary of data on cotton

	Allotment	U.S. production (million bales)	Consumption	Exports	Ending carry-over	CCC ending stocks	Loans	Acquired	Spot market average	Export subsidy or differential	Loan rate M-1	Foreign free world—			Cotton acreage	
												Production	Consumption	Exports	United States	Foreign free world
	Thousand acres	Million bales	Thousand bales	Thousand bales	Thousand bales		Thousand bales	Thousand bales	Cents		Cents	Million bales	Million bales	Million bales	Million acres	Million acres
1954-----	21,379	13.5	8,730	3,445	11,028	8.1	2,308	1,648	35.0	-----	34.03	15.9	18.7	7.2	19.2	43.5
1955-----	18,113	14.6	9,085	2,194	14,399	9.8	7,257	6,038	35.4	(1)	34.55	16.4	19.5	9.4	16.9	47.2
1956-----	17,301	12.9	8,496	7,540	11,269	5.2	4,830	3,677	33.5	7.2	32.74	15.9	20.9	6.7	15.6	45.9
1957-----	17,585	10.8	7,900	5,707	8,615	2.9	3,657	2,464	34.4	6.2	32.31	16.9	20.4	6.9	13.5	46.0
1958-----	17,554	11.3	8,594	2,766	8,733	7.0	6,832	6,039	34.5	6.5	35.08	17.5	20.5	9.0	11.8	46.8
1959-----	17,346	14.4	8,879	7,178	7,404	5.0	335 (A&B)	26	31.9	8.0	{(A) 34.10 {(B) 28.40	16.6	22.2	8.4	15.1	45.0
1960-----	17,553	14.3	8,131	6,625	7,090	1.5	540	(A&B) 1	31.0	6.0	{(A) 32.42 {(B) 26.63	19.0	23.5	8.5	15.2	46.0
1961-----	18,458	14.3	8,783	4,908	7,741	4.7	4,850	3,247	33.7	8.5	33.04	19.5	23.6	8.9	15.6	48.3
1962-----	18,101	14.7	8,258	3,348	11,016	8.0	6,853	4,744	33.5	8.5	32.47	21.9	23.2	10.9	15.5	48.8
1963-----	16,250	15.0	8,468	5,661	12,131	10.2	8,088	6,029	33.2	8.5	32.47	21.9	24.3	10.5	14.1	49.7
1964-----	16,200	15.0	8,000	3,200	14,000	11.5	7,288	3,622	30.8	6.5	30.00	22.4	24.9	10.8	14.0	49.8
1965-----	16,200	14.8	8,300	3,200	15,400	12.9	7,500	3,650	-----	5.75	29.00	-----	-----	-----	-----	-----

¹ Export differential on 1,000,000 bales averaged 7.5 cents per pound. There was no export differential on 1,200,000 bales.² Acreage reserve program was in effect in United States in 1956 to 1958.³ Estimated.

TABLE 29.—*Cotton other than Extra-Long Staple: Supply and distribution, United States, average 1935-39, 1945-49, and 1950 to date*

Year beginning Aug. 1	Supply					Distribution			
	Carry- over beginning of season	Produc- tion ¹	Net imports	City crop	Total	Con- sumption	Net exports	De- stroyed	Total
	1,000 bales ²	1,000 bales ²	1,000 bales ²	1,000 bales ²	1,000 bales ²	1,000 bales ²	1,000 bales ²	1,000 bales ²	1,000 bales ²
Average 1935-39	8,288	12,750	110	-----	21,148	6,858	5,297	57	12,212
Average 1945-49	5,814	11,902	122	23	17,862	8,913	3,927	34	12,874
1950	6,781	9,789	68	28	16,666	³ 10,357	4,108	27	14,492
1951	2,196	14,983	26	40	17,244	³ 9,116	5,515	35	14,666
1952	2,741	15,031	61	42	17,874	³ 9,358	3,048	50	12,456
1953	5,511	16,295	50	43	21,899	8,475	3,760	75	12,311
1954	9,570	13,504	48	46	23,168	8,730	3,445	60	12,235
1955	11,028	14,591	51	47	25,718	³ 9,085	2,194	-----	11,278
1956	14,399	12,928	40	50	27,417	³ 8,496	7,540	-----	16,036
1957	11,269	10,783	41	58	22,151	³ 7,900	5,707	-----	13,607
1958	8,615	11,291	51	51	20,009	³ 8,594	2,766	-----	11,360
1959	8,733	14,435	48	50	23,266	8,879	7,178	-----	16,058
1960	7,404	14,287	42	63	21,796	³ 8,131	6,625	-----	14,756
1961	7,090	14,323	68	64	21,546	³ 8,783	4,906	-----	13,689
1962	7,741	14,712	55	68	22,575	³ 8,258	3,348	-----	11,606
1963	11,016	15,036	⁴ 54	102	26,208	³ 8,468	5,661	-----	14,129
1964 ⁵	12,125	15,059	⁴ 34	70	27,288	9,019	4,171	-----	13,190
1965 ⁶	14,031	⁶ 14,812	⁴ 35	70	28,949	9,300	4,200	-----	13,500

¹ Includes in-season ginnings.² Running bales except imports which are in bales of 500 pounds.³ Adjusted to a cotton marketing year basis, Aug. 1-July 31.⁴ Imports for consumption.⁵ Preliminary and estimated.⁶ Crop Reporting Board report of Sept. 8, 1965.

SECTION-BY-SECTION ANALYSIS

Section 601, together with section 602, extends the domestic allotment program for 4 years, with amendments providing for (1) an increased rate of payment for producers keeping within their domestic allotments, (2) a minimum farm domestic allotment equal to the smaller of the farm acreage allotment or 10 acres, and (3) a minimum national domestic acreage allotment equal to 65 percent of the national acreage allotment.

Section 601 of the bill would amend section 103(b) of the Agricultural Act of 1949, as amended, to provide additional price support on each of the 1966, 1967, 1968, and 1969 crops of upland cotton. Such additional price support would be provided to cooperators on whose farms the acreage planted to upland cotton for harvest does not exceed the farm domestic allotment established under section 350 of the Agricultural Adjustment Act of 1938, as amended, and would be provided on the projected yield of the acreage planted for harvest within the farm domestic allotment. For the 1966 crop, such additional support would be 25 percent of the basic level of support established under section 103(b) of the 1949 act. For the 1967, 1968, and 1969 crops, such additional support would be not less than 20 percent and not in excess of 40 percent of such basic level of support, as determined by the Secretary to be necessary to provide for an orderly reduction in supplies of cotton to a reasonable level. The maximum additional price support which was authorized for the 1964 and 1965 crops was 15 percent of the basic level of support.

Section 602 of the bill would extend the domestic allotment program for 4 years. Under subsection (a), section 350 of the Agricultural Adjustment Act of 1938, as amended, would be amended to provide for the establishment by the Secretary for each farm of a farm domestic allotment in acres for each of the 1966, 1967, 1968, and 1969 crops of upland cotton.

Under subsection (b), section 350 would provide that the domestic allotment for farms from which no acreage is released under section 344(m)(2) shall not be less than the smaller of 10 acres (instead of 15 acres as provided by existing law for 1965) or the farm acreage allotment established under section 344.

Under subsection (c), section 350 would provide that the national domestic acreage allotment shall not be less than 65 percent of the national acreage allotment.

Section 603 of the bill would amend section 348 of the Agricultural Adjustment Act of 1938, as amended, effective August 1, 1966. The Commodity Credit Corporation would be authorized and directed to make payments, for the period beginning August 1, 1966, and ending July 31, 1970, through the issuance of payment-in-kind certificates to persons other than producers or domestic users in the amount of 3 cents per pound of upland cotton, subject to such terms and condition as the Secretary determines will result in the full amount of such payments being reflected in a reduction in the cost of raw cotton to domestic users of such cotton.

Section 604 of the bill would amend section 203 of the Agricultural Act of 1956, as amended, to provide that effective for the period beginning August 1, 1966, and ending July 31, 1970, the prices at which cotton is made available for export in accordance with section 203 shall not be announced in advance of any agreement to make such cotton available. The price at which any cotton is sold for export and the amount of any payment made to assist in the exportation of any cotton by the Commodity Credit Corporation shall be fixed as each bid or offer to purchase cotton or to export cotton with the aid of a payment by the Commodity Credit Corporation is accepted. If CCC at any time rejects a bid or offer to purchase cotton at the maximum price prescribed under section 203 or to export cotton in consideration of a payment which would make cotton available for export at the maximum price prescribed under section 203, as determined on the basis of the most recent quotations from Liverpool, Bremen, or Osaka available at the time such bid or offer is rejected, the Secretary would be required within 30 days to report the fact of such rejection to the Congress setting out in full the reasons therefor.

TITLE VII—MISCELLANEOUS

Title VII covers the following subjects:

1. Method prescribed for apportioning acreage allotments among divided farms.
2. Authority to use projected yields in lieu of normal yields for all commodities. Projected yield not to be less than actual yields proved by producer, unless the use of such proved yield for a commodity will cause inequities among producers.
3. Sense of Congress that no restriction with respect to transportation in American vessels is to be applied to the commercial exportation

of agricultural commodities if not applied to the exportation of other commodities.

4. Authority to purchase dairy products at market prices to meet program requirements for schools, domestic relief distribution, community action, foreign distribution, and other programs when Commodity Credit Corporation stocks are insufficient.

5. Determinations as to amounts and availability of land, labor, materials, or services needed for production and harvesting of any agricultural crop to be made by the Secretary of Agriculture and accepted by all agencies of the United States.

6. Study to be made of full-time commercial family farms and extent to which farm programs are of benefit to them.

Reconstitution of farms

Section 701 incorporates into law the methods for effecting a division of commodity allotments, history acreages, and base acreages between a tract of land which is separated from a parent farm because of a change in ownership and the remaining portion of such parent farm. Previously this has been covered by administrative regulations without specific statutory authority. Generally, each tract will share in the commodity allotments, history acreages, and base acreages in the same proportion each such tract shares in the cropland acreage in the parent farm. The Secretary is authorized to prescribe the method to be used in effecting the division of commodity allotments, history acreages, and base acreages in certain types of cases described in the section.

This section adds a new section, designated as section 379, to the Agricultural Adjustment Act of 1938, as amended. This new section directs the Secretary to provide by regulation that whenever a tract of land is transferred from a parent farm the acreage allotments, history acreages, and base acreages received by the transferred tract shall be in the same proportion that the cropland acreage on the transferred tract bears to the cropland acreage on the parent farm, subject, however, to five exceptions in which the Secretary is given discretion in determining the method to be used in dividing the acreage allotments, histories, and bases. The first exception applies where the tract of land transferred from the parent farm has been or is being transferred to any agency having the right to acquire it by eminent domain. This exception is designed to enable the Secretary to give effect to the provisions of section 378 pertaining to eminent domain transfers. Exception No. 2 applies where the tract of land transferred from the parent farm is to be used for nonagricultural purposes. Exception No. 3 applies where the parent farm resulted from a combination of two or more tracts of land and records are available showing the contribution of each tract to the allotments, histories and bases of the parent farm. Exception No. 4 applied where the county committee determines that a division based on cropland proportions would result in allotments and bases not representative of the operations normally carried out on any transferred tract during the base period. Exception No. 5 applies where the parent farm is being divided among heirs in settling an estate. The term "heirs," as used in this exception, is intended to include anyone who by reason of the death of the decedent is vested with an interest in the farm or farms of the decedent.

Projected farm yields

Section 702 authorizes the Secretary to use projected farm yields in lieu of normal farm yields. In determining such yields, the Secretary is to take into account actual yields which have been proved by the producer.

At present, farm yields are established on the basis of a 5-year historical average. Because yields have been increasing rapidly, the yields so established have not in many instances been typical of the yields which farmers could normally expect with current production practices and methods and average weather. The use of projected farm yields will make yields used under these programs more realistic and therefore more acceptable to farmers.

The projected yield could not be less than the actual yield proved by the producer unless the Secretary finds that the use of the actual yields will cause inequities between producers.

Export shipping restrictions

Section 703 applies to commercial exportation of agricultural commodities. It proposes an expression of the sense of the Congress that no restriction with respect to transportation in American vessels should be applied to commercial exports of agricultural commodities if not applied to the exportation of other commodities.

At the present time, a requirement for the use of U.S. shipping appears to be preventing a substantial amount of commercial sales of agricultural commodities to Soviet bloc countries. One of the current requirements which the Government has imposed as a condition for the issuance of a license on commercial exports of wheat and many other agricultural commodities to such area is that at least 50 percent of the commodities be moved on U.S. ships. No similar requirement is imposed as a condition for the issuance of a license on commercial sales of other commodities to this same area. This requirement for the use of U.S. shipping on commercial sales of agricultural commodities is not a statutory one, unlike the case of Government-aided sales.

The requirement was first established when the sale of wheat to Russia was under consideration in 1963. At that time the Government changed the previous policy of preventing the sale of surplus American wheat flour and other agricultural commodities for shipment to Soviet bloc countries. It required as one of the conditions to the granting of an export license that at least 50 percent of the commodities exported under any export license be exported in U.S.-flag ocean carriers. Although, it first appeared that the requirement would not interfere with such sales, it has prevented such sales from being made. This year the U.S.S.R. has again been importing substantial quantities of wheat but the United States has not been considered as a source of normal commercial purchases because the U.S. shipping requirements add substantially to the costs which the purchaser would incur.

Section 703 would express the sense of Congress that in granting an export license under the Export Control Act of 1949, no restrictions with respect to transportation on U.S.-flag vessels shall be required of the export of agricultural commodities in connection with normal commercial sales for dollars to any country unless such restrictions likewise apply to the exportation of the license to export all other commodities, without limitation, to such country.

Purchase of dairy products

Section 704 would authorize the Secretary of Agriculture to use funds of the Commodity Credit Corporation for the purchase of sufficient quantities of dairy products at market prices to meet the requirements of any programs for schools, domestic relief distribution, community action, foreign distribution, and such other programs as are authorized by law whenever CCC stocks available for these programs are insufficient.

Under present legislation, only supplies acquired under the dairy support program are available for such uses.

Domestic and foreign school lunch, welfare, and other programs have been extremely important outlets for large stocks of dairy products acquired under the mandatory dairy price-support program. These uses have helped prevent the accumulation of stocks beyond available storage space. Through them, the United States has shared the abundance of American agriculture with needy people at home and abroad.

Donation programs of this scope and magnitude require extensive planning and negotiating on the part of many people and many governments. They must negotiate for program supplies well in advance of program uses. Wide fluctuations in supplies and temporary interruptions in the flow of supplies involve major, serious problems in establishing and operating the programs, as well as in international public relations. This is emphasized by the fact that half of the nonfat dry milk acquired under the support program since 1954 has been used in the food-for-peace program.

There have been two principal problems in assuring a reasonably uniform and continuous flow of nonfat dry milk in the donation outlets. One is the wide seasonal variation in production and therefore in the volume of surplus available for program uses. The second problem is the wide fluctuations in commercial sales. CCC's sales of dairy products to both the domestic and export commercial markets have been extremely erratic as a result of changing market supply and demand conditions.

Section 704 would be useful in making possible more definite and reliable planning, and administering on a continuing basis, the human food programs which undoubtedly will be needed as outlets for future surpluses.

Commercial family farm study

Section 705 would direct the Secretary to cause a study to be made of full-time commercial family farms and make a report of the results of the study to the Agriculture Committees of Congress on or before February 1, 1966. Such study would indicate among other things, the degree to which farm programs are of benefit to such farmers and suggest possible criteria for defining commercial family farms on a county-by-county basis.

Production resource need determination

Section 706 of the bill recognizes and makes it clear that the Department of Agriculture is the appropriate agency of Government and has the responsibility for developing the facts and making determinations with respect to the amounts and availability of land, labor, material, services, and other factors needed in connection with the production and harvesting of any agricultural crop, and that

such determinations shall be accepted and utilized by other officers or agencies of the Federal Government when any activity which they are required to perform is dependent upon such facts or determinations.

This provision will have the effect of eliminating the confusion which now exists in connection with determinations concerning the admissibility of supplemental agricultural workers under the Immigration and Nationality Act. In considering the question of the admissibility of supplemental workers the Attorney General needs to know what the requirements of agriculture are and whether there are available sufficient domestic workers capable of meeting these requirements. At present he relies upon advisory information only, obtained from governmental agencies which have neither statutory responsibility or the qualifications of the Department of Agriculture to obtain, evaluate, and supply such information. This section will correct this by placing the responsibility for such information in the agency of Government which has the facilities and expertise to make such determinations.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

AGRICULTURAL ADJUSTMENT ACT OF 1938

* * * * *

DEFINITIONS

SEC. 301. * * *

(b) * * *

(8) (A) "National average yield" as applied to cotton or wheat shall be the national average yield per acre of the commodity during the ten calendar years in the case of wheat, and during the five calendar years in the case of cotton, preceding the year in which such national average yield is used in any computation authorized in this title, adjusted for abnormal weather conditions and, in the case of wheat, but not in the case of cotton, for trends in yields.

(B) *"Projected national yield" as applied to any crop of wheat shall be determined on the basis of the national yield per harvested acre of the commodity during each of the five calendar years immediately preceding the year in which such projected national yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.*

(9) **["Normal production" as applied to any number of acres of corn, cotton, rice, or wheat means the normal yield for the farm times such number of acres.]** *"Normal production" as applied to any number of acres of rice or cotton means the normal yield for the farm times such number of acres and for wheat means the projected farm yield times such number of acres.*¹

* * * * *

¹ Effective beginning with the crop planted for harvest in the calendar year 1966.

(13) (A) [Repealed by Public Law 87-703, 76 Stat. 625, approved September 27, 1962.]

(B) "Normal yield" for any county, in the case of peanuts, shall be the average yield per acre of peanuts for the county, adjusted for abnormal weather conditions, during the five calendar years immediately preceding the year in which such normal yield is determined.

(C) In applying subparagraph (A) or (B), if for any such year the data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, shall be used as the actual yield for such year. In applying such subparagraphs, if, on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield in any year of such ten-year period or five-year period, as the case may be, is less than 75 per centum of the average (computed without regard to such year) such year shall be eliminated in calculating the normal yield per acre.

(D) "Normal yield" for any county, in the case of rice and wheat, shall be the average yield per acre of rice or wheat, as the case may be, for the county during the five calendar years immediately preceding the year for which such normal yield is determined in the case of rice, or during the five years immediately preceding the year in which such normal yield is determined in the case of wheat, adjusted for abnormal weather conditions and for trends in yields. If for any such year data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, taking into consideration the yields obtained in surrounding counties during such year and the yield in years for which data are available, shall be used as the actual yield for such year.

(E) "Normal yield" for any farm, in the case of rice and wheat, shall be the average yield per acre of rice or wheat, as the case may be, for the farm during the five calendar years immediately preceding the year for which such normal yield is determined in the case of rice, or during the five years immediately preceding the year in which such normal yield is determined in the case of wheat, adjusted for abnormal weather conditions and for trends in yields. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions, trends in yields, the normal yield for the county, the yields obtained on adjacent farms during such year and the yield in years for which data are available.

(F) In applying subparagraphs (D) and (E), if on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield for any year of such five-year period is less than 75 per centum of the average, 75 per centum of such average shall be substituted therefor in calculating the normal yield per acre. If, on account of abnormally favorable weather conditions, the yield for any year of such five-year period is in excess of 125 per centum of the average, 125 per centum of such average shall be substituted therefor in calculating the normal yield per acre.

(G) "Normal yield" for any farm, in the case of corn or peanuts, shall be the average yield per acre of corn or peanuts, as the case may be, for the farm, adjusted for abnormal weather conditions during the five calendar years immediately preceding the year in which such normal yield is determined. If for any such year the data are not

available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, and the yield in years for which data are available.

(H) "Normal yield" for any county, for any crop of cotton, shall be the average yield per acre of cotton for the county, adjusted for abnormal weather conditions and any significant changes in production practices during the five calendar years immediately preceding the year in which the national marketing quota for such crop is proclaimed. If for any such year the data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, shall be used as the actual yield for such year.

(I) "Normal yield" for any farm, for any crop of cotton, shall be the average yield per acre of cotton for the farm, adjusted for abnormal weather conditions and any significant changes in production practices during the three calendar years immediately preceding the year in which such normal yield is determined. If for any such year the data are not available, or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, changes in production practices, and the yield in years for which data are available.

(J) "*Projected county yield*" for any crop of wheat shall be determined on the basis of the yield per harvested acre of such commodity in the county during each of the five calendar years immediately preceding the year in which such projected county yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.

(K) "*Projected farm yield*" for any crop of wheat shall be determined on the basis of the yield per harvested acre of such commodity on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.

[NOTE.—Section 702 of the bill provides that "Notwithstanding any other provision of law, in the determination of farm yields the Secretary may use projected yields in lieu of normal yields. In the determination of such yields the Secretary shall take into account the actual yield proved by the producer, and the projected yield shall not be less than the actual yield proved by the producer, unless the Secretary finds that the use of such proved yields for any commodity will cause inequities between producers."]

* * * * *

PROCLAMATIONS OF SUPPLIES AND ALLOTMENTS

SEC. 332. (a) * * *

(b) If a national marketing quota for wheat has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 or later than April 15 of the calendar year preceding the year in which such marketing year begins. The amount of the national marketing quota for wheat for any marketing year

shall be an amount of wheat which the Secretary estimates (i) will be utilized during such marketing year for human consumption in the United States as food, food products, and beverages, composed wholly or partly of wheat, (ii) will be utilized during such marketing year in the United States for seed, (iii) will be exported either in the form of wheat or products thereof, and (iv) [as the average amount which was utilized as livestock (including poultry) feed in the marketing years beginning in 1959 and 1960] *will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding estimated quantity of wheat which will be utilized for such purposes as a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962;*² less (A) an amount of wheat equal to the estimated imports of wheat into the United States during such marketing year and, (B) if the stocks of wheat owned by the Commodity Credit Corporation are determined by the Secretary to be excessive, an amount of wheat determined by the Secretary to be a desirable reduction in such marketing year in such stocks to achieve the policy of the Act: *Provided*, That if the Secretary determines that the total stocks of wheat in the Nation are insufficient to assure an adequate carryover for the next succeeding marketing year, the national marketing quota otherwise determined shall be increased by the amount the Secretary determines to be necessary to assure an adequate carryover: *And provided further*, That the national marketing quota for wheat for any marketing year shall be not less than one billion bushels.

(c) If, after the proclamation of a national marketing quota for wheat for any marketing year, the Secretary has reason to believe that, because of a national emergency or because of a material increase in the demand for wheat, the national marketing quota should be terminated or the amount thereof increased, he shall cause an immediate investigation to be made to determine whether such action is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such action is necessary, he shall immediately proclaim such finding and the amount of any such increase found by him to be necessary and thereupon such national marketing quota shall be so increased or terminated. In case any national marketing quota is increased under this subsection, the Secretary shall provide for such increase by increasing acreage allotments established under this part by a uniform percentage.

(d) *Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1966 through 1969, and farm marketing quotas shall not be in effect for such crops of wheat.*²

NATIONAL ACREAGE ALLOTMENT

SEC. 333. [Whenever the amount of the national marketing quota for wheat is proclaimed for any marketing year, the Secretary at the same time shall proclaim a national acreage allotment for the crop of wheat planted for harvest in the calendar year in which such marketing year begins. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of expected yields and expected underplantings of

² Effective beginning with the crop planted for harvest in the calendar year 1966.

farm acreage allotments will, together with (1) the expected production on the increases in acreage allotments for farms based upon small-farm base acreages pursuant to section 335, and (2) the expected production on increased acreages resulting from the small-farm exemption pursuant to section 335, make available a supply of wheat equal to the national marketing quota for wheat for such marketing year.】

*The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop, or if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed.*³

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 334. 【(a) The national acreage allotment for wheat, less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period: *Provided*, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year: *Provided further*, That in establishing State acreage allotments, the acreage seeded for the production of wheat plus the acreage diverted for 1965 for any farm shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and other new areas coming into the production of wheat during the ten calendar years ending with the calendar year in which the national acreage allotment is proclaimed. There shall also be made

³ Effective beginning with the crop planted for harvest in the calendar year 1966.

available, beginning with the 1965 crop, a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be used to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (i.e., farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year.】

(a) *The national allotment for wheat, less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the States on the basis of the preceding year's allotment for each such State, including all amounts allotted to the State and including for 1966 the increased acreage in the State allotted for 1965 under section 335, adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop-rotation practices estimated decrease in farm allotments because of loss of history, and other relevant factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (that is, farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in*

*any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year.*⁴

[(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practices: *Provided*, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing county acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year: *Provided further*, That in establishing county acreage allotments, the acreage seeded for the production of wheat plus the acreage diverted for 1965 for any farm shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year.]

*(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year's wheat allotment in each such county, including for 1966 the increased acreage in the county allotted for 1965 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county taking into consideration established crop-rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors.*⁵

(c)(1) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of wheat, tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on

⁴ Effective beginning with the crop planted for harvest in the calendar year 1966.

⁵ Effective beginning with the crop planted for harvest in the calendar year 1966.

which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 or 1965 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 or 1965 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 or 1965 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 or 1965 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year except 1965 shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided*, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(2) Notwithstanding any other provision of law, each old or new farm acreage allotment for the 1962 crop of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 10 per centum. In the event notices of farm acreage allotments for the 1962 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2), new notices showing the required reduction shall be mailed to farm operators as soon as practicable.

(3) *Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1966 and any subsequent year shall be the acreage of wheat planted, plus the acreage regarded as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment.*

(4) *Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1966 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which wheat has been planted, or is considered to have been planted, for harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop-rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm, and may be adjusted to reflect such other factors as the Secretary de-*

termines should be considered for the purpose of establishing a fair and equitable allotment: Provided, That (i) for purposes of computing the 1966 allotment for any farm not in compliance with its 1964 farm acreage allotment, the 1965 acreage allotment shall be reduced by 7 per centum; (ii) for the purposes of computing the allotment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by 7 per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary diversion program nor a voluntary certificate program was in effect and there was noncompliance with the farm acreage allotment for such year; and (iii) for purposes of clause (ii), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion shall be reduced by reducing the allotment for the immediately preceding year by 7 per centum.⁶

[(d) For the purposes of subsections (a), (b), and (c) of this section, any farm—

- (1) to which a wheat marketing quota is applicable; and
- (2) on which the acreage planted to wheat exceeds the farm wheat acreage allotment; and
- (3) on which the marketing excess is zero

shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty. This subsection shall be applicable in establishing the acreage seeded and diverted and the past acreage of wheat for 1959 and subsequent years in the apportionment of allotments beginning with the 1961 crop of wheat. For the purpose of clause (1) of this subsection, a farm with respect to which an exemption has been granted under section 335(f) for any year shall not be regarded as a farm to which a wheat marketing quota is applicable for such year, even though such exemption should become null and void because of a violation of the conditions of the exemption.】⁷

* * * * *

(g) Notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter except 1965 in excess of acreage allotments shall be considered in establishing future State and county acreage allotments [except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section].⁷ The planting on a farm in the commercial wheat-producing area of wheat of the 1958 or any subsequent crop for which no farm wheat acreage allotment was established shall not make the farm eligible for an allotment as an old farm pursuant to the first sentence of subsection (c) of this section nor shall such farm by reason of such planting be con-

⁶ Effective beginning with the crop planted for harvest in the calendar year 1966.

⁷ Effective beginning with the crop planted for harvest in the calendar year 1966.

sidered ineligible for an allotment as a new farm under the second sentence of such subsection.⁸

* * * * *

SMALL FARM EXEMPTION

SEC. 335. Notwithstanding any other provision of this part, no farm marketing quota for any crop of wheat shall be applicable to any farm with a farm acreage allotment of less than fifteen acres if the acreage of such crop of wheat does not exceed the small-farm base acreage determined for the farm, unless the operator elects in writing on a form and within the time prescribed by the Secretary to be subject to the farm acreage allotment and marketing quota. The small-farm base acreage for a farm shall be the smaller of (A) the average acreage of the crop of wheat planted for harvest in the three years 1959, 1960, and 1961, or such later three-year period, excluding 1963, determined by the Secretary to be representative, with adjustments for abnormal weather conditions, established crop-rotation practices on the farm, and such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable small-farm base acreage, or (B) fifteen acres. The acreage allotment for any farm shall be the larger of (1) the small-farm base acreage determined as provided above on the basis of the three-year period 1959-1961, reduced by the same percentage by which the national acreage allotment for the crop is reduced below fifty-five million acres, or (2) the acreage allotment determined without regard to (1) above. If the operator of any such farm fails to make such election with respect to any crop of wheat, (i) for the purposes of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340), as amended, the farm acreage allotment for such crop of wheat shall be deemed to be the larger of (A) the small-farm base acreage of (B) the acreage allotment for the farm, (ii) the land-use provisions of section 339 shall be inapplicable to the farm, (iii) such crop of wheat shall not be eligible for price support and (iv) wheat marketing certificates applicable to such crop shall not be issued with respect to the farm. The additional acreage required to provide acreage allotments for farms based upon small-farm base acreages under this section shall be in addition to National, State and county acreage allotments. *This section shall not be applicable to the crops planted for harvest in 1966 and subsequent years.*⁷

* * * * *

LAND USE

SEC. 339. (a)(1) [During any year in which marketing quotas for wheat are in effect, the producers on any farm (except a new farm receiving an allotment from the reserve for new farms) on which any crop is produced on acreage required to be diverted from the production of wheat shall be subject to a penalty on such crop, in addition to any marketing quota penalty applicable to such crops, as provided in this subsection unless (1) the crop is designated by the Secretary as one which is not in surplus supply and will not be in surplus supply if it is permitted to be grown on the diverted acreage, or as

⁸ Section 110 of the bill provides that if the national, State, and county allotments have already been established for the 1966 crop of wheat before the Act becomes effective, the national, State, county, and farm acreage allotments for such crop of wheat shall be established in accordance with the provisions of law in effect prior to the enactment of the Act.

one the production of which will not substantially impair the purpose of the requirements of this section, or (2) no wheat is produced on the farm, and the producers have not filed an agreement or a statement of intention to participate in the payment program formulated pursuant to subsection (b) of this section. The acreage required to be diverted from the production of wheat on the farm shall be an acreage of cropland equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment. The actual production of any crop subject to penalty under this subsection shall be regarded as available for marketing and the penalty on such crop shall be computed on the actual acreage of such crop at the rate of 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which such crop is harvested, multiplied by the normal yield of wheat per acre established for the farm. Until the producers on any farm pay the penalty on such crop, the entire crop of wheat produced on the farm and any subsequent crop of wheat subject to marketing quotas in which the producer has an interest shall be subject to a lien in favor of the United States for the amount of the penalty. Each producer having an interest in the crop or crops on acreage diverted or required to be diverted from the production of wheat shall be jointly and severally liable for the entire amount of the penalty. The persons liable for the payment or collection of the penalty under this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.】 *As a condition of eligibility for wheat price support with respect to any farm, the producers on such farm shall be required to divert from the production of wheat to an approved conservation use an acreage of cropland on the farm equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor, and to participate in any program formulated under subsection (b) to the extent prescribed by the Secretary. Such diversion factor shall be determined by dividing the number of acres by which the national acreage allotment (less an acreage equal to the increased acreage allotted for 1965 pursuant to section 335) is reduced below fifty-five million acres by the number of acres in the national acreage allotment (less an acreage equal to the increased acreage allotted for 1965 pursuant to section 335).⁹*

* * * * *

(b) The Secretary is authorized to formulate and carry out a program with respect to the 【1964 and 1965 crops of wheat】 *crops of wheat planted for harvest in the calendar years 1964 through 1969* under which, subject to such terms and conditions as he determines are desirable to effectuate the purposes of this section, payments may be made in amounts not in excess of 50 per centum of the estimated basic county support rate for wheat 【not accompanied by marketing certificates】 *under section 107(1) of the Agricultural Act of 1949* on the normal production of the acreage diverted taking into account the

⁹ Amendment (7) of section 202 of the Agricultural Act of 1964, 78 Stat. 179 approved April 11, 1964, amended subsection (a)(1) only effective with respect to the crops planted for harvest in 1964 and 1965. This bill, by amendment to the Agricultural Act of 1964, continues that amendment in effect with respect to the crops planted for harvest in the calendar years 1967 through 1969 and substitutes the words "price support" for "marketing certificates." This bill also inserts the additional material in parentheses, effective beginning with the crop planted for harvest in the calendar year 1967.

income objectives of the Act, determined by the Secretary to be fair and reasonable with respect to acreage diverted pursuant to subsection (a) of this section. Any producer who complies with his 1964 farm acreage allotment for wheat and with the other requirements of the program shall be eligible to receive payments under the program for the 1964 crop of wheat. The Secretary may permit producers on any farm to divert from the production of wheat an acreage, in addition to the acreage diverted pursuant to subsection (a), equal to [20 per centum of the farm acreage allotment] *50 per centum of the farm acreage allotment* for wheat: *Provided*, That the producers on any farm may, at their election, divert such acreage in addition to the acreage diverted pursuant to subsection (a), as will bring the total acreage diverted on the farm to [fifteen acres] *twenty-five acres*.¹⁰ Such program shall require (1) that the diverted acreage shall be devoted to conservation uses approved by the Secretary; (2) that the total acreage of cropland on the farm devoted to soil-conserving uses, including summer fallow and idle land but excluding the acreage diverted as provided above, shall be not less than the total average acreage of cropland devoted to soil-conserving uses including summer fallow and idle land on the farm during a representative period, as determined by the Secretary, adjusted to the extent the Secretary determines appropriate for (i) abnormal weather conditions or other factors affecting production, (ii) established crop-rotation practices on the farm, (iii) participation in other Federal farm programs, (iv) unusually high percentage of land on the farm devoted to conserving uses, and (v) other factors which the Secretary determines should be considered for the purpose of establishing a fair and equitable soil-conserving acreage for the farm; and (3) that the producer shall not knowingly exceed (i) any farm acreage allotment in effect for any commodity produced on the farm, and (ii) except as the Secretary may by regulations prescribe, with the farm acreage allotments on any other farm for any crop in which the producer has a share: *Provided*, That no producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty: *And provided further*, That no producer shall be deemed to have exceeded a farm acreage allotment for any crop of wheat if the farm is exempt from the farm marketing quota for such crop under section 335. The producers on a new farm shall not be eligible for payments hereunder. The Secretary shall provide for the sharing of payment among producers on the farm on a fair and equitable basis. Payments may be made in cash or in wheat.

* * * * *

(e) [The Secretary may permit the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, and flax, when such crops are not in surplus supply and will not be in surplus supply if permitted to be grown on the diverted acreage, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no

¹⁰ All amendments to section 339(b) effective beginning with the crop planted for harvest in the calendar year 1966.

event shall the payment exceed one-half the rate which would otherwise be applicable if such acreage were devoted to conservation uses and no price support shall be made available for the production of any such crop on such diverted acreage.】 *The Secretary may permit all or any part of the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses.*¹¹

* * * * *

COTTON EQUALIZATION PAYMENTS

SEC. 348. 【In order to maintain and expand domestic consumption of upland cotton produced in the United States and to prevent discrimination against the domestic users of such cotton, notwithstanding any other provision of law, the Commodity Credit Corporation, under such rules and regulations as the Secretary may prescribe, is authorized and directed for the period beginning with the date of enactment of this section and ending July 31, 1966, to make payments through the issuance of payment-in-kind certificates to persons other than producers in such amounts and subject to such terms and conditions as the Secretary determines will eliminate inequities due to differences in the cost of raw cotton between domestic and foreign users of such cotton, including such payments as may be necessary to make raw cotton in inventory on the date of enactment of this section available for consumption at prices consistent with the purposes of this section: *Provided, That for the period beginning August 1 of the marketing year for the first crop for which price support is made available under section 103(b) of the Agriculture Act of 1949, as amended, and ending July 31, 1966, such payments shall be made in an amount which will make upland cotton produced in the United States available for domestic use at a price which is not in excess of the price at which such cotton is made available for export.*】 *Notwithstanding any other provision of law, during the period beginning August 1, 1966, and ending July 31, 1970, the Commodity Credit Corporation is authorized and directed to make payments through the issuance of payment-in-kind certificates to persons other than producers or domestic users in the amount of 3 cents per pound of upland cotton subject to such terms and conditions as the Secretary determines will result in the full amount of such payments being reflected in a reduction in the cost of raw cotton to domestic users of such cotton and to such further rules and regulations as the Secretary may prescribe.*¹²

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¹¹ Effective beginning with the crop planted for harvest in the calendar year 1966.

¹² Effective August 1, 1966.

DOMESTIC ACREAGE ALLOTMENTS

SEC. 350. [In order to provide producers with a choice program of reduced acreage and higher price support, the Secretary shall establish for each farm for the 1964 and 1965 crops of upland cotton a farm domestic allotment in acres.] *In order to provide producers with a choice program of reduced acreage and higher price support, the Secretary shall establish for each farm for each of the 1964 through 1969 crops of upland cotton a farm domestic allotment in acres.* The farm domestic allotment shall be the percentage which the national domestic allotment is of the national acreage allotment established under section 344(a) applied as a percentage of the smaller of (1) the farm acreage allotment established under section 344, or (2) the higher acreage actually planted or regarded as planted on the farm (excluding acreage regarded as planted under sections 344(m)(2) and 377) in the two years preceding the year for which such allotment is established: *Provided*, That any farm planting 90 per centum or more of the allotment shall, for the purpose of (2) above, be considered as having planted the entire farm allotment: *Provided further*, That, except for farms the acreage allotments of which are reduced under section 344(m), the farm domestic allotment shall not be less than the smaller of [15 acres] 10 acres¹³ or the farm acreage allotment established under section 344, but this proviso shall be applicable to the 1964 crop without regard to the exception stated herein. The national domestic acreage allotment for any crop shall be that acreage, based upon the national average yield per acre of cotton for the four years immediately preceding the calendar year in which the national acreage allotment is proclaimed, required to make available from such crop an amount of upland cotton equal to the estimated domestic consumption for the marketing year for such crop [.]: *Provided*, That the national domestic acreage allotment shall not be less than 65 per centum of the national acreage allotment.¹³ The Secretary shall proclaim the national domestic acreage allotment for the 1964 crop not later than April 1, 1964, and for each subsequent crop not later than December 15 of the calendar year preceding the year in which the crop is to be produced.

* * * * *

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 353. * * *

(c) Notwithstanding any other provisions of this Act—

(1) If farm acreage allotments are established by using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for owners or operators, the State acreage allotment shall be apportioned among counties in the State on the same basis as the national acreage allotment is apportioned among the States and the county acreage allotments shall be apportioned to farms on the basis of the applicable factors set forth in subsection (b) of this section: *Provided*, That if the State is divided into administrative areas pursuant to subsection (b) of this section the allotment for each administrative area shall be determined by apportioning the State acreage allotment among coun-

¹³ Effective for the 1966, 1967, 1968, and 1969 crops.

ties as provided in this subsection and totaling the allotments for the counties in such area: *Provided*, That the State committee may reserve not to exceed 5 per centum of the State allotment, which shall be used to make adjustments in county allotments for trends in acreage and for abnormal conditions affecting plantings;

(2) Any acreage planted to rice in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

In determining the past production of rice by producers on a farm for the purpose of establishing farm acreage allotments for the 1956 and subsequent crops, the acreage of rice on the farm for any year for which farm acreage allotments were in effect shall be divided among the producers thereon in the proportion in which they contributed to the farm acreage allotment.

(3) Each of the State acreage allotments for 1955 heretofore proclaimed by the Secretary shall be increased by 2 per centum or by such greater acreage as may be necessary to provide such State with an allotment equal to its 1950 allotment. In any State having county acreage allotments for 1955 (i) the increase in the State allotment shall be apportioned among counties in the State on the same basis as the State allotment was heretofore apportioned among the counties, but without regard to adjustments for trends in acreage, and (ii) the 1955 allotment for any county in which the 1950-1954 average planted plus diverted acreage of rice, adjusted for trends in acreage, exceeds the 1945-1949 average planted acreage of rice, similarly adjusted, by more than 2 per centum shall then be further increased by such additional acreage as may be necessary to provide such county with an allotment equal to its 1950 allotment. The increases in the county acreage allotments and the increases in the State allotments, where county allotments are not determined, shall be used to establish farm acreage allotments which are fair and reasonable in relation to the applicable allotment factors specified in subsection (b) of this section and to correct inequities and prevent hardships.

(4) The reserve acreage made available for 1955 in any State for apportionment to farms operated by persons who have not produced rice during the preceding five years or on which rice has not been planted in the preceding five years shall not be less than five hundred acres; and the additional acreage necessary to provide such minimum reserve acreages shall be in addition to the National and State acreage allotments.

(5) Each of the State acreage allotments for 1956 heretofore proclaimed by the Secretary, after adding thereto any acreage apportioned to farms in the State from the reserve acreage set aside pursuant to subsection (a) of this section, shall be increased by such amount as may be necessary to provide such State with an allotment of not less than 85 per centum of its final allotment established for 1955. Any additional acreage required to provide such minimum allotment shall be additional to the national acreage allotment. In any State having county acreage allotments for 1956, the increase in the State allotment shall be apportioned among counties in the State on the same basis as the State allotment was heretofore apportioned among the counties, but without regard to adjustments for trends in acreage.

(6) The national acreage allotments of rice for 1957 and subsequent years shall be not less than the national acreage allotment for 1956, including any acreage allotted under paragraph (5) of this subsection, and such national allotments for 1957 and subsequent years shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1956.

(7) *If the national acreage allotment for rice for 1966, 1967, 1968, or 1969 is less than the national acreage allotment for rice for 1965, the Secretary shall formulate and carry out an acreage diversion program for rice for such year designed to support the gross income of rice producers at a level not lower than that for 1965, minus any reduction in production costs resulting from the reduced rice acreage. Under such program conservation payments shall be made to producers who comply with their rice acreage allotments, devote to an approved conservation use an acreage of cropland on the farm equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor, and comply with such additional terms and conditions as the Secretary may prescribe. The diversion factor shall be determined by dividing the number of acres by which the national acreage allotment is reduced below the national acreage allotment for 1965 by the number of acres in the national acreage allotment. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, and flax, if he determines that such production is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops; but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. Such program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. The Secretary shall provide for the sharing of payments under this paragraph among producers on the farm on the basis of their respective shares in the rice crop produced on the farm, or the proceeds therefrom. The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this paragraph.*

* * * * *

RECONSTITUTION OF FARMS

SEC. 379. In any case in which the ownership of a tract of land is transferred from a parent farm, the acreage allotments, history acreages, and base acreages for the farm shall be divided between such tract and the parent farm in the same proportion that the cropland acreage in such tract bears to the cropland acreage in the parent farm, except that the Secretary shall provide by regulation the method to be used in determining

the division, if any of the acreage allotments, histories, and bases in any case in which—

(1) the tract of land transferred from the parent farm has been or is being transferred to any agency having the right to acquire it by eminent domain;

(2) the tract of land transferred from the parent farm is to be used for nonagricultural purposes;

(3) the parent farm resulted from a combination of two or more tracts of land and records are available showing the contribution of each tract to the allotments, histories, and bases of the parent farm;

(4) the appropriate county committee determines that a division based on cropland proportions would result in allotments and bases not representative of the operations normally carried out on any transferred tract during the base period; or

(5) the parent farm is divided among heirs in settling an estate.

* * * * *

WHEAT MARKETING ALLOCATION

SEC. 379b. [During any marketing year for which a marketing quota is in effect for wheat, beginning with the marketing year for the 1964 crop, a wheat marketing allocation program shall be in effect as provided in this subtitle. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat which in determining the national marketing quota for such marketing year he estimated would be used during such year for food products for consumption in the United States, and that portion of the amount of wheat which in determining such quota he estimated would be exported in the form of wheat or products thereof during the marketing year on (sic) which the Secretary determines that marketing certificates shall be issued to producers in order to achieve, insofar as practicable, the price and income objectives of this subtitle, and (2) the national allocation percentage which shall be the percentage which the national marketing allocation is of the national marketing quota. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the normal yield of wheat for the farm as determined by the Secretary, and multiplying the resulting number of bushels by the national allocation percentage. If a noncommercial wheat-producing area is established for any marketing year, farms in such area shall be given wheat marketing allocations which are determined by the Secretary to be fair and reasonable in relation to the wheat marketing allocation given producers in the commercial wheat-producing area.] *A wheat marketing allocation program as provided in this subtitle shall be in effect for the marketing years for the crops planted for harvest in the calendar years 1966 through 1969.¹⁴*

MARKETING CERTIFICATES

SEC. 379c. (a) The Secretary shall provide for the issuance of wheat marketing certificates for each marketing year for which a

¹⁴ This amendment effective only with respect to the crops of wheat planted for harvest in the calendar years 1966 through 1969, and the marketing years for such crops.

wheat marketing allocation program is in effect for the purpose of enabling producers on any farm with respect to which certificates are issued to receive, in addition to the other proceeds from the sale of wheat, an amount equal to the value of such certificates. The wheat marketing certificates issued with respect to any farm for any marketing year shall be in the amount of the farm wheat marketing allocation for such year, but not to exceed (i) the actual acreage of wheat planted on the farm for harvest in the calendar year in which the marketing year began multiplied by the normal yield of wheat for the farm, plus (ii) the amount of wheat stored under section 379c(b) or to avoid or postpone a marketing quota penalty, which is released from storage during the marketing year on account of underplanting or under production, and if this limitation operates to reduce the amount of wheat marketing certificates which would otherwise be issued with respect to the farm, such reduction shall be made first from the amount of export certificates which would otherwise be issued. The Secretary shall provide for the sharing of wheat marketing certificates among producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom. The Secretary shall, in accordance with such regulation as he may prescribe, provide for the issuance of domestic marketing certificates for the portion of the wheat marketing allocation representing wheat used for food products for consumption in the United States and for the issuance of export marketing certificates for the portion of the wheat marketing allocation used for exports. An acreage on the farm which the Secretary finds was not planted to wheat for harvest in 1965 because of drought, flood, or other natural disaster shall be deemed by the Secretary to be an actual acreage of wheat planted for harvest for purposes of this subsection, provided such acreage is not subsequently planted to any other price supported crop for 1965.

(b) No producer shall be eligible to receive wheat marketing certificates with respect to any farm for any marketing year in which a marketing quota penalty is assessed for any commodity on such farm or in which the farm has not complied with the land-use requirements of section 339 to the extent prescribed by the Secretary, or in which, except as the Secretary may by regulation prescribe, the producer exceeds the farm acreage allotment on any other farm for any commodity in which he has an interest as a producer. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335. For purposes of this section, but not for purposes of diversion payments under subsection (b) of section 339, a producer shall be deemed not to have exceeded the farm acreage allotment for wheat if the acreage in excess of the farm acreage allotment does not exceed 50 per centum of the farm acreage allotment and the amount of wheat produced on the acreage in excess of the farm acreage allotment is stored in accordance with regulations issued by the Secretary. The amount of wheat required to be stored hereunder shall be an amount equal to twice the normal yield of wheat per acre

established for the farm multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the amount of wheat required to be stored shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: *Provided however*, That the amount of wheat required to be stored shall not be larger than the amount by which the actual production so established exceeds the normal production of the farm wheat acreage allotment. At the time and to the extent of any depletion in the amount of wheat so stored, except depletion resulting from the release of wheat from storage on account of underplanting or underproduction, as provided below or depletion resulting from some cause beyond the control of the producer, the producer shall pay an amount to the Secretary equal to one and one-half times the value of the wheat marketing certificates issued with respect to the farm for the year in which the wheat on the acreage in excess of the allotment was produced. Whenever the planted acreage of the then current crop of wheat on the farm is less than the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder or stored in order to avoid or postpone a marketing quota penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage, and whenever the actual production of the acreage of wheat is less than the normal production of the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder or in order to avoid a marketing quota penalty shall be reduced by that amount which together with the actual production of the then current crop will equal the normal production of the farm acreage allotment.¹⁵

(c) The Secretary shall determine and proclaim for each marketing year the face value per bushel of wheat marketing certificates. The face value per bushel of domestic certificates shall be the amount by which the level of price support for wheat accompanied by domestic certificates exceeds the level of price support for wheat not accompanied by certificates (noncertificate wheat); and the face value per bushel of export certificates shall be the amount by which the level of price support for wheat accompanied by export certificates exceeds the level of price support for noncertificate wheat.

(d) Marketing certificates and transfers thereof shall be represented by such documents, marketing cards, records, accounts, certifications, or other statements or forms as the Secretary may prescribe.¹⁶

¹⁵ Amendment (13) of section 202 of the Agricultural Act of 1964, 78 Stat. 180, approved April 11, 1964, made the material in section 379c(b) relating to storage of wheat effective only with respect to the crop planted for harvest in the calendar year 1965. For provisions relating to the storage of wheat with respect to the 1966 through 1969 crops, see section 107 of the Agricultural Act of 1949, as amended by section 104 of this bill.

¹⁶ Section 103(b) of the bill provides that "Those provisions of section 379d(b) of the Agricultural Adjustment Act of 1938 which relate to export marketing certificates and section 379c of such Act (relating to the issuance of marketing certificates to producers) shall not be applicable during the marketing years beginning in the calendar years 1966 through 1969. During those marketing years the requirements of such section 379d(b) may be suspended for any marketing year or other period by the Secretary in whole or in part to such extent as he deems appropriate, if he determines that such suspension will result in the more effective regulation of commerce and the better effectuation of this Act."

MARKETING RESTRICTIONS

SEC. 379d. * * *

(b) During any marketing year for which a wheat marketing allocation program is in effect, (i) all persons engaged in the processing of wheat into food products shall, prior to marketing any such food product or removing such food product for sale or consumption, acquire domestic marketing certificates equivalent to the number of bushels of wheat contained in such product and (ii) all persons exporting wheat shall, prior to such export, acquire export marketing certificates equivalent to the number of bushels so exported. In order to expand international trade in wheat and wheat flour and promote equitable and stable prices therefor the Commodity Credit Corporation shall, upon the exportation from the United States of any wheat or wheat flour, make a refund to the exporter or allow him a credit against the amount payable by him for marketing certificates, in such amount as the Secretary determines will make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States. [The Secretary may exempt wheat exported for donation abroad and other noncommercial exports of wheat and wheat processed for use on the farm where grown from the requirements of this subsection.] *The Secretary may exempt from the requirements of this subsection wheat exported for donation abroad and other noncommercial exports of wheat, wheat processed for use on the farm where grown, wheat produced by a State or agency thereof and processed for use by the State or agency thereof, wheat processed for donation, and wheat processed for uses determined by the Secretary to be noncommercial. Such exemptions may be made applicable with respect to any wheat processed or exported beginning July 1, 1964. There shall be exempt from the requirements of this subsection beverage distilled from wheat prior to July 1, 1964. A beverage distilled from wheat after July 1, 1964, shall be deemed to be removed for sale or consumption at the time it is placed in barrels for aging except that upon the giving of a bond as prescribed by the Secretary, the purchase of and payment for such marketing certificates as may be required may be deferred until such beverage is bottled for sale. Wheat shipped to a Canadian port for storage in bond, or storage under a similar arrangement, and subsequent exportation, shall be deemed to have been exported for purposes of this subsection when it is exported from the Canadian port.*¹⁷ Marketing certificates shall be valid to cover only sales or removals for sale or consumption or exportations made during the marketing year with respect to which they are issued, and after being once used to cover a sale or removal for sale or consumption or export of a food product or an export of wheat shall be void and shall be disposed of in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions hereof, the Secretary may require marketing certificates issued for any marketing year to be acquired to cover sales, removals, or exportations made on or after the date during the calendar year in which wheat harvested in such calendar year begins to be marketed as determined by the Secretary even though such wheat is marketed prior to the beginning of the marketing year, and marketing certificates for such marketing year shall be valid to cover sales, removals, or exportations made on or after the date so determined by the Secretary. *Whenever the face value per*

¹⁷ Effective upon the enactment of this Act.

*bushel of domestic marketing certificates for a marketing year is different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary may require marketing certificates issued for the preceding marketing year to be acquired to cover all wheat processed into food products during such preceding marketing year even though the food product may be marketed or removed for sale or consumption after the end of the marketing year.*¹⁸

* * * * *

(d) As used in this subtitle, the term "food products" means flour (excluding flour second clears not used for human consumption as determined by the Secretary), semolina, farina, bulgur, beverage, and any other product composed wholly or partly of wheat which the Secretary may determine to be a food product.¹⁹

ASSISTANCE IN PURCHASE AND SALE OF MARKETING CERTIFICATES

SEC. 379e. [For the purpose of facilitating the purchase and sale of marketing certificates, the Commodity Credit Corporation is authorized to issue, buy, and sell marketing certificates in accordance with regulations prescribed by the Secretary. Such regulations may authorize the Corporation to issue and sell certificates in excess of the quantity of certificates which it purchases. Such regulations may authorize the Corporation in the sale of marketing certificates to charge, in addition to the face value thereof, an amount determined by the Secretary to be appropriate to cover estimated administrative costs in connection with the purchase and sale of the certificates and estimated interest incurred on funds of the Corporation invested in certificates purchased by it.] *The Commodity Credit Corporation is authorized to issue, buy and sell marketing certificates at their face value. The face value per bushel of marketing certificates for each marketing year shall be the amount by which the support level determined under section 107(1) of the Agricultural Act of 1949 for such marketing year is below \$2.00; except that if the Secretary determines that the average price of bread in the United States has increased following enactment of the Food and Agriculture Act of 1965 and prior to the beginning of such marketing year, the Secretary may increase such face value to an amount not exceeding the amount by which such support level is below 100 per centum of the parity price of wheat as of the date such support level is determined. The exception contained in the preceding sentence shall not be applicable to the marketing year for the 1966 crop.*²⁰

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AUTHORITY TO FACILITATE TRANSITION

SEC. 379g. (a) The Secretary is authorized to take such action as he determines to be necessary to facilitate the transition from the program currently in effect to the program provided for in this sub-

¹⁸ Section 103(b) of the bill provides that "Those provisions of section 379d(b) of the Agricultural Adjustment Act of 1938 which relate to export marketing certificates and section 379c of such Act (relating to the issuance of marketing certificates to producers) shall not be applicable during the marketing years beginning in the calendar years 1966 through 1969. During those marketing years the requirements of such section 379d(b) may be suspended for any marketing year or other period by the Secretary in whole or in part to such extent as he deems appropriate, if he determines that such suspension will result in the more effective regulation of commerce and the better effectuation of this Act."

¹⁹ This amendment shall be effective on or after 60 days following enactment of this Act, unless the Secretary shall by regulation designate an earlier effective date within such 60-day period.

²⁰ Effective only with respect to the crops of wheat planted for harvest in the calendar years 1966 through 1969, and the marketing years for such crops.

title. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to exempt all or a portion of the wheat or food products made therefrom in the channels of trade on the effective date of the program under this subtitle from the marketing restrictions in subsection (b) of section 379d, or to sell certificates to persons owning such wheat or food products at such prices as the Secretary may determine. Any such certificate shall be issued by Commodity Credit Corporation.

(b) *Whenever the face value per bushel of domestic marketing certificates for a marketing year is substantially different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary is authorized to take such action as he determines necessary to facilitate the transition between marketing years. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to sell certificates to persons engaged in the processing of wheat into food products covering such quantities of wheat, at such prices, and under such terms and conditions as the Secretary may by regulation provide. Any such certificate shall be issued by Commodity Credit Corporation.*

* * * * *

PENALTIES

SEC. 379i. (a) Any person who *knowingly* violates or attempts to violate or who *knowingly* participates or aids in the violation of any of the provisions of subsection (b) of section 379d of this Act shall forfeit to the United States a sum equal to two times the face value of the marketing certificates involved in such violation. Such forfeiture shall be recoverable in a civil action brought in the name of the United States.

(b) Any person, except a producer in his capacity as a producer, who *knowingly* violates or attempts to violate or who *knowingly* participates or aids in the violation of any provision of this subtitle or of any regulation, governing the acquisition, disposition, or handling of marketing certificates or who *knowingly* fails to make any report or keep any record as required by section 379h shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$5,000 for each violation.²¹

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SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT, AS AMENDED

* * * * *

SEC. 16. * * *

GREAT PLAINS CONSERVATION PROGRAM

(b) Notwithstanding any other provision of law—

(1) the Secretary is authorized, within the amounts of such appropriations as may be provided therefor, to enter into contracts of not to exceed ten years with producers in the Great Plains area determined by him to have control for the contract period of the farms or ranches covered thereby. Such contracts

²¹ The word "knowingly" wherever it appears in subsections (a) and (b) is inserted effective as of the effective date of the original enactment of section 379i.

shall be designed to assist farm and ranch operators to make, in orderly progression over a period of years, changes in their cropping systems and land uses which are needed to conserve the soil and water resources of their farms and ranches and to install the soil and water conservation measures needed under such changed systems and uses. Such contracts may be entered into during the period ending not later than December 31, 1971, with respect to farms and ranches in counties in the Great Plains area of the States of Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming, designated by the Secretary as susceptible to serious wind erosion by reason of their soil types, terrain, and climatic and other factors. The producer shall furnish to the Secretary a plan of farming operations which incorporates such soil and water conservation practices and principles as may be determined by him to be practicable for maximum mitigation of climatic hazards of the area in which the farm is located, and which outlines a schedule of proposed changes in cropping systems and land use and of the conservation measures which are to be carried out on the farm or ranch during the contract period to protect the farm or ranch from erosion and deterioration by natural causes. Under the contract the producer shall agree—

(i) to effectuate the plan for his farm or ranch substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to paragraph (3) of this subsection;

(ii) to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder upon his violation of the contract at any stage during the time he has control of the farm if the Secretary determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds or accept such payment adjustments as the Secretary may deem appropriate if he determines that the producer's violation does not warrant termination of the contract;

(iii) upon transfer of his right and interest in the farm or ranch during the contract period to forfeit all rights to further payments or grants under the contract and refund to the United States all payments or grants received thereunder unless the transferee of the farm or ranch agrees with the Secretary to assume all obligations of the contract;

(iv) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract;

(v) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of the program or to facilitate the practical administration of the program.

In return for such agreement by the producer the Secretary shall agree to share the cost of carrying out those conservation practices set forth in the contract for which he determines that cost-sharing is appropriate and in the public interest. The portion of such cost (including labor) to be shared shall be that part which the Secretary determines is necessary and appropriate to

effectuate the physical installation of the conservation measures under the contract;

(2) the Secretary may terminate any contract with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest, and may agree to such modification of contracts previously entered into as he may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof;

[(3) insofar as the acreage of cropland on any farm enters into the determination of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, the cropland acreage on the farm shall not be decreased during the period of any contract heretofore or hereafter entered into under this subsection by reason of any action taken for the purpose of carrying out such contract and, under regulations of the Secretary, shall not be decreased, for such period after the expiration of the contract as is equal to the period of the contract, by reason of the maintenance of any change in land use from cultivated cropland to permanent vegetation carried out under the contract;]

[(4) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out any contract heretofore or hereafter entered into under the program or in order to maintain, for such period after the expiration of the contract as is equal to the period of the contract, any change in land use from cultivated cropland to permanent vegetation carried out under the contract shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended.]²²

(5) in applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), relating to the reduction of storage amount of wheat, any acreage diverted from the production of wheat under the program carried out under this subsection shall be regarded as wheat acreage;

(6) the Secretary shall utilize the technical services of agencies of the Department of Agriculture in determining the scope and provisions of any plan and the acceptability of the plan for effectuating the purposes of the program. In addition the Secretary shall take into consideration programs of State and local agencies, including soil conservation districts, having for their purposes the objectives of maximum soil and water conservation;

(7) there is hereby authorized to be appropriated without fiscal year limitations, such sums as may be necessary to carry out this subsection: *Provided*, That the total cost of the program (excluding administrative costs) shall not exceed \$150,000,000, and for any program year payments shall not exceed \$25,000,000. The funds made available for the program under this subsection may be expended without regard to the maximum payment limitation and small payment increases required under section 8(e) of this

²² Section 506 of the bill repeals these provisions and provides a uniform method for preservation of history. Section 506 provides that all rights accruing under these provisions to persons who entered into contracts or agreements prior to repeal shall be preserved.

Act, and may be distributed among States without regard to distribution of funds formulas of section 15 of this Act. The program authorized under this subsection shall be in addition to, and not in substitution of, other programs in such area authorized by this or any other Act.

* * * * *

LAND USE ADJUSTMENT PROGRAM

SEC. 16(e) (1) For the purpose of promoting the conservation and economic use of land, the Secretary, without regard to the foregoing provisions of this Act, except those relating to the use of the services of State and local committees, is authorized to enter into agreements, to be carried out during such period not to exceed ten years as he may determine, with farm and ranch owners and operators providing for changes in cropping systems and land uses and for practices or measures to be carried out primarily on any lands owned or operated by them and regularly used in the production of crops (including crops such as tame hay, alfalfa, and clovers, which do not require annual tillage, and including lands covered by conservation reserve contracts under subtitle B of the Soil Bank Act) for the purpose of conserving and developing soil, water, forest, wildlife, and recreation resources. Such agreements shall include such terms and conditions as the Secretary may deem desirable to effectuate the purposes of this subsection and may provide for payments, the furnishing of materials and services, and other assistance in amounts determined by the Secretary to be fair and reasonable, in consideration of the obligations undertaken by the farm and ranch owners and operators and the rights acquired by the Secretary: *Provided*, That agreements for the establishment of tree cover may not provide for annual payments with respect to such land for a period in excess of five years.

(2) No agreement shall be entered into under this subsection covering land with respect to which the ownership has changed in the two year period preceding the first year of the contract period unless (a) the new ownership was acquired by will or succession as a result of the death of the previous owner, (b) the land becomes a part of an existing farm or ranch, or (c) the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purposes of the program: *Provided*, That this provision shall not prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this subsection.

(3) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under this subsection.

(4) The Secretary may agree to such modification of agreements previously entered into as he may determine to be desirable to carry out the purposes of this subsection or to facilitate the practical administration of the program carried out pursuant to this subsection.

(5) The Secretary shall issue such regulations as he determines necessary to carry out the provisions of this subsection.

[(6) Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this subsection, may provide in any agreement hereunder for (A) preserva-

tion for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (B) surrender of any such history and allotments.] ²³

(7) There is hereby authorized to be appropriated such sums as may be necessary to carry out this subsection. The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this subsection including payment of costs of administration for the program authorized under this subsection: *Provided*, That after June 30, 1963, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this subsection unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this subsection. The Secretary shall not enter into agreements hereunder which would require payments, the furnishing of materials and services, and other assistance, in amounts in excess of \$10,000,000 for any calendar year, except that the Secretary may enter into agreements hereunder with respect to lands previously covered by conservation reserve contracts which would require payments, the furnishing of materials and services, and other assistance, in an additional amount for the calendar year 1963 not exceeding \$15,000,000.

* * * * *

(i) *Notwithstanding any other provision of law—*

(1) *For the 1966 through 1969 crops of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted but not in excess of 50 per centum of the estimated basic county support rate, including the lowest rate of payment-in-kind, on the normal production of the acreage diverted from the commodity on the farm based on the farm projected yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program and will not adversely affect farm*

²³ Section 506 of the bill repeals this provision and provides a uniform method for preservation of history. Section 506 provides that all rights accruing under this provision to persons who entered into contracts or agreements prior to repeal shall be preserved.

income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term "feed grains" means corn, grain sorghums, and, if designated by the Secretary, barley, and if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye: Provided, That acreages of corn, grain sorghums, and, if designated by the Secretary, barley, shall not be planted in lieu of acreages of oats and rye: Provided further, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. Notwithstanding any other provision of this subsection (i)(1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection, barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(e) of the Agricultural Act of 1949, who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all

farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(i).

(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price made available through loans and purchases, plus reasonable carrying charges.

(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains.

[NOTE.—Sec. 204 of the bill provides that, for any of the 1966 through 1969 crops of feed grains, the Secretary may, in lieu of the program authorized under the provisions of Subtitle A of Title II of the bill, shown above, carry out an alternative feed grain program in accordance with the provisions of Subtitle B of Title II of the bill, and for purposes of such Subtitle B, Paragraph 1 of section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, shall be deemed to be amended to read as shown below.]

(1) For the 1966 through 1969 crops of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, sub-

ject to such terms and conditions as the Secretary determines, conservation payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, not less than 50 per centum of the estimated basic county support rate, on the normal production of the acreage diverted from the commodity on the farm based on the farm projected yield per acre: *Provided*, That payments may be made at a rate not less than 70 per centum of the estimated basic county support rate on the normal production of the acreage diverted from the commodity on the farm based on the farm projected yield per acre if the producer agrees to and diverts for a period of five years not less than 40 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term "feed grains" means corn, grain sorghums, and, if designated by the Secretary, barley and if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye: *Provided*, That acreages of corn, grain sorghums, and, if designated by the Secretary, barley, shall not be planted in lieu of acreages of oats and rye: *Provided further*, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the reduction in production goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act

of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. Notwithstanding any other provision of this subsection (i)(1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance: *Provided*, That in no event shall the Secretary make payments to any producers under this section in any year in excess of 20 per centum of the fair market value of any acreage involved. Notwithstanding any other provision of this subsection, barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(e) of the Agricultural Act of 1949, who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

[Note.—For purposes of the alternative feed grain program under Subtitle B of Title II of the bill, Section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, is deemed to be amended by adding the new paragraph shown below.]

(7) *The program shall be formulated and administered in such manner as will limit the amount of reduction of production in a county or local community to prevent the program from adversely affecting the economy of the county or community.*

AGRICULTURAL ACT OF 1949, AS AMENDED

* * * * *

SEC. 103. (a) Notwithstanding the provisions of section 101 of this Act, price support to cooperators for each crop of upland cotton, beginning with the 1961 crop, for which producers have not disapproved marketing quotas shall be at such level not more than 90 per centum of the parity price therefor nor less than the minimum level prescribed below as the Secretary determines appropriate after consideration of the factors specified in section 401(b) of this Act. For the 1961 crop minimum level shall be 70 per centum of the parity price therefor, and for each subsequent crop the minimum level shall be 65 per centum of the parity price therefor: *Provided*, That the price support for the 1964 crop shall be a national average support price which reflects 30 cents per pound for Middling one-inch cotton. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101(d) (3) and (5).

(b) **[**If producers have not disapproved marketing quotas, the Secretary shall provide additional price support on the 1964 and 1965 crops of upland cotton to cooperators on whose farms the acreage planted to upland cotton for harvest does not exceed the farm domestic

allotment established under section 350 of the Agricultural Adjustment Act of 1938, as amended. Such additional support shall be at a level up to 15 per centum in excess of the basic level of support established under subsection (a) and shall be provided on the normal yield of the acreage planted for harvest within the farm domestic allotment. For purposes of this subsection, an acreage on the farm which the Secretary finds was not planted to cotton in 1965 because of flood, drought, or other natural disaster shall be deemed by the Secretary to be an actual acreage of cotton planted on the farm for harvest, provided such acreage is not subsequently devoted to any price supported crop for 1965.]^{23a} *If producers have not disapproved marketing quotas, the Secretary shall provide additional price support on each of the 1966, 1967, 1968, and 1969 crops of upland cotton to cooperators on whose farms the acreage planted to upland cotton for harvest does not exceed the farm domestic allotment established under section 350 of the Agricultural Adjustment Act of 1938, as amended. For the 1966 crop such additional support shall be 25 per centum of the basic level of support established under subsection (a). For the 1967 and subsequent crops, such additional support shall be at such level, not less than 20 per centum and not in excess of 40 per centum of the basic level of support established under subsection (a), as the Secretary deems necessary to provide for an orderly reduction in supplies of cotton to a reasonable level. Such additional support shall be provided on the projected yield of the acreage planted for harvest within the farm domestic allotment.*

(c) In order to keep upland cotton to the maximum extent practicable in the normal channels of trade, any additional price support under subsection (b) of this section may be carried out through the simultaneous purchase of cotton at the support price therefor under subsection (b) and the sale of such cotton at the support price therefor under subsection (a) or similar operations, including loans under which the cotton would be redeemable by payment of the amount for which the cotton would be redeemable if the loan thereon had been made at the support price for such cotton under subsection (a), or payments-in-kind through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary. If such additional support is provided through the issuance of payment-in-kind certificates, such certificates shall have a value per pound of cotton equal to the difference between the level of support established under subsection (a) and the level of support established under subsection (b). The corporation may, under regulations prescribed by the Secretary, assist the producers and persons receiving payment-in-kind certificates under this section and section 348 of the Agricultural Adjustment Act of 1938, as amended, in the marketing of such certificates at such time and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this section and such section 348. In the case of any certificate not presented for redemption within thirty days of the date of its issuance, reasonable costs of storage and other carrying charges as determined by the Secretary for the period beginning thirty days after its issuance and ending with the date of its

^{23a} Effective beginning with the 1966 crop.

presentation for redemption shall be deducted from the value of the certificate.

* * * * *

[NOTE.—Section 204 of the bill provides that, for any of the 1966 through 1969 crops of feed grain, the Secretary may in lieu of the program authorized under the provisions of Subtitle A of Title II of the bill, carry out an alternative feed grain program under the provisions of Subtitle B of Title II of the bill, and for purposes of such Subtitle B, section 105(a) shall be deemed to be amended as shown below.]

SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop, price support shall be made available to producers for each crop of corn at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not result in increasing Commodity Credit Corporation stocks of corn: *Provided*, That in the case of any crop for which an acreage diversion program is in effect for feed grains, the level of price support for corn of such crop shall be at such level [not less than 65 per centum] *not less than 60 per centum* or more than 90 per centum of the parity price therefor as the Secretary determines necessary to achieve the acreage reduction goal established by him for the crop.

* * * * *

(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: Provided, That the acreage on any farm which is diverted from the production of feed grains pursuant to a contract hereafter entered into under the Soil Bank Act shall be deemed to be acreage diverted from the production of feed grains for purposes of meeting the foregoing requirements for eligibility for price support: Provided further, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. Such portion of the support price for any feed grain included in the acreage diversion program as the

Secretary determines desirable to assure that the benefits of the price-support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains shall be made available to producers through payments-in-kind. Such payments-in-kind shall be made available on the maximum permitted acreage, or the Secretary may make the same total amount available on a smaller acreage or acreages at a higher rate or rates. The number of bushels of such feed grain on which such payments-in-kind shall be made shall be determined by multiplying that part of the actual acreage of such feed grain planted on the farm for harvest on which the Secretary makes such payments available by the farm projected yield per acre: Provided, That for purposes of such payments, the Secretary may permit producers of feed grains to have acreage devoted to soybeans considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the price-support program: Provided further, That for purposes of such payments, producers on any farm who have planted not less than 90 per centum of the acreage of feed grains permitted to be planted shall be deemed to have planted the entire acreage permitted. Notwithstanding the provisions of subsection (a), that portion of the support price which is made available through loans and purchases for the 1966 through 1969 crops may be reduced below the loan level for the 1965 crop by such amounts and in such stages as may be necessary to promote increased participation in the feed grain program, taking into account increases in yields, but so as not to disrupt the feed grain and livestock economy: Provided, That this authority shall not be construed to modify or affect the Secretary's discretion to maintain or increase total price support levels to cooperators. An acreage on the farm which the Secretary finds was not planted to feed grains because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of feed grains planted for harvest for purposes of such payments. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price made available through loans and purchases, plus reasonable carrying charges) in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. The Secretary shall provide for the sharing of such certificates among producers on the farm on a fair and equitable basis. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains, in accordance with the provisions of such program, an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide. Notwithstanding any other provision of law, payments in kind under this subsection (e) and subsection (d) of this section may be adjusted by the Secretary for failure of a producer to comply fully with the terms and

conditions of the programs formulated under such subsections and section 16 of the Soil Conservation and Domestic Allotment Act, as amended.

[NOTE.—For purposes of the alternative feed grain program under Subtitle B of Title II of the bill, section 105(e) shall be deemed to be amended to read as shown below.]

(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: Provided, That the acreage on any farm which is diverted from the production of feed grains pursuant to a contract hereafter entered into under the Soil Bank Act shall be deemed to be acreage diverted from the production of feed grains for purposes of meeting the foregoing requirements for eligibility for price support: Provided further, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. A payment of not to exceed 25 cents per bushel may be made available on an acreage on a farm participating in the program which the Secretary finds was not planted to feed grains because of drought, flood, or other natural disaster. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains, in accordance with the provisions of such program, an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide.

* * * * *

PRICE SUPPORT FOR 1964 AND SUBSEQUENT YEARS (WHEAT)

SEC. 107. [Notwithstanding the provisions of section 101 of this Act, beginning with the 1964 crop—

(1) Price support for wheat accompanied by domestic certificates shall be at such level not less than 65 per centum or more than 90 per centum of the parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

(2) Price support for wheat accompanied by export certificates shall be at such level not more than 90 per centum of the

parity price therefor as the Secretary determines appropriate, taking into consideration the factors specified in section 401(b).

(3) Price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of 90 per centum of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains.

(4) Price support shall be made available only to cooperators; and, if a commercial wheat-producing area is established for such crop, price support shall be made available only in the commercial wheat-producing area.

(5) Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.

(6) A "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. Effective with respect to crops planted for harvest in the calendar year 1966 and any subsequent year, if marketing quotas are not in effect for the crop of wheat, a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who does not knowingly exceed the farm acreage allotment for wheat. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, but the producer shall not be eligible to receive price support on such marketing excess. No producer shall be deemed to have exceeded the farm acreage allotment for wheat on any other farm, if such farm is exempt from the farm marketing quota for such crop under section 335. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored.】

Notwithstanding the provisions of section 101 of this Act, for any marketing year—

(1) *price support for wheat shall be made available through loans, purchases, and other operations (not including payments) at a level equal to the higher of (i) the United States farm price equivalent, as determined by the Secretary, of the average world market price for wheat during the immediately preceding three marketing years, or (ii) 50 per centum of the parity price therefor,*

(2) *additional price support for wheat shall be made available through payments in such amount as (i) will bring the total amount of price support made available under this section up to a level*

not in excess of 100 per centum of the parity price for wheat and not less than \$1.90 per bushel, and (ii) the Secretary determines to be appropriate, taking into consideration the factors specified in section 401(b) and any increases in the prices of bread and wheat products so that producers may receive an appropriate share of any increased returns from wheat products. Such additional support shall be provided on the projected yield of that part of the farm acreage allotment which is either planted for harvest or diverted to conserving uses in accordance with regulations prescribed by the Secretary; or, in the noncommercial area, on such other basis as the Secretary shall determine to be equitable; and shall be shared by the producers on the farm on the basis of their respective shares in the wheat crop produced on the farm, or the proceeds therefrom. For purposes of payments under this paragraph, producers on any farm who have planted not less than 90 per centum of that part of the farm acreage allotment not diverted to conserving uses in accordance with regulations prescribed by the Secretary shall be deemed to have so planted or diverted the entire acreage allotment. An acreage on the farm not planted to wheat because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of wheat planted for harvest for purposes of this paragraph.

(3) price support shall be made available only to cooperators; and if a commercial wheat-producing area is established for such crop, price support shall be made available under paragraph (1) only in the commercial wheat-producing area, and

(4) a "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. For purposes of this section, a producer shall be deemed not to have exceeded the farm acreage allotment for wheat if the acreage in excess of the farm acreage allotment does not exceed 50 per centum of the farm acreage allotment and the amount of wheat produced on the acreage in excess of the farm acreage allotment is stored in accordance with regulations issued by the Secretary. The amount of wheat required to be stored hereunder shall be an amount equal to twice the projected farm yield multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the amount of wheat required to be stored shall be such actual production less the actual production of the farm wheat acreage allotment based upon the average yield per acre for the entire wheat acreage on the farm: Provided, however, That the amount of wheat required to be stored shall not be larger than the amount by which the actual production so established exceeds the projected farm yield multiplied by the farm wheat acreage allotment. At the time and to the extent of any depletion in the amount of wheat so stored, except depletion resulting from the release of wheat from storage on account of underplanting or underproduction, as

provided below or depletion resulting from some cause beyond the control of the producer, the producer shall pay an amount to the Secretary equal to one and one-half times the wheat price support payments made with respect to the farm for the year in which the wheat on the acreage in excess of the allotment was produced. Whenever the planted acreage of the then current crop of wheat on the farm is less than the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder shall be reduced by that amount which is equal to the projected farm yield multiplied by the number of acres by which the farm acreage allotment exceeds the planted acreage, and whenever the actual production of the acreage of wheat is less than the projected farm yield multiplied by the farm acreage allotment, the total amount of wheat from any previous crops stored hereunder shall be reduced by that amount which together with the actual production of the then current crop will equal the projected farm yield multiplied by the farm acreage allotment. The producer shall not be eligible to receive price support on the wheat so stored.

(5) In any case in which the provisions of this Act prohibit the making of wheat price support loans or payments for failure of a producer to comply fully with the terms and conditions of the programs formulated under this Act, the Secretary may, nevertheless, make such loans and payments in such amounts as he determines to be equitable in relation to the gravity of the violation.²⁴

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ADJUSTMENTS FOR GRADE, ETC.

SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. Beginning with the 1959 crop, in adjusting the support price for cotton on the basis of grade, the Secretary shall establish separate price support rates for split grades and for full grades substantially reflecting relative values. *In determining support prices for the 1966 and 1967 crops of rice the Secretary shall, notwithstanding the foregoing or any other provision of law, use head and broken rice value factors for the various varieties which (1) are not lower than those used with respect to the 1965 crop, and (2) do not differ as between any two varieties by a greater amount than the value factors used with respect to the 1965 crop for such two varieties differed.*

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RESTRICTIONS ON SALES BY CCC

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carry-

²⁴ Effective only with respect to the 1966 through 1969 crops.

ing normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided*,³⁴ That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended: *Provided further*, That beginning August 1, 1964, the Commodity Credit Corporation may sell upland cotton for unrestricted use at not less than 105 per centum of the current loan rate for such cotton under section 103(a) plus reasonable carrying charges: *[Provided*, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat accompanied by marketing certificate and wheat sold shall be accompanied by a marketing certificate.] *Provided further*, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat under section 107(1) of the Agricultural Act of 1949.²⁵

SOIL BANK ACT

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SUBTITLE B—CONSERVATION RESERVE PROGRAM

TERMS AND CONDITIONS

SEC. 107. (a) To effectuate the purposes of this title the Secretary is hereby authorized to enter into contracts for periods of not less than **[three]** *five* years with producers determined by him to have control for the contract period of the farms covered by the contract wherein the producer shall agree:

(1) To establish and maintain for the contract period protective vegetative cover (including but not limited to grass and trees), water storage facilities, **[or]** other soil-, water-, wildlife-, or forest conserving uses, or *practices or uses which will establish, protect and conserve open spaces, natural beauty, wildlife and recreational resources, and prevent air and water pollution (priority being given to the extent practicable to practices or uses which are most likely to result in permanent retirement to noncrop uses)* on a specifically designated acreage of land on the farm regularly used in the production of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage). *The Secretary shall not require the producer, as a condition to placing such cropland as he may desire under the contract, to reduce his acreage of more than one commodity subject to acreage or marketing*

²⁵ Section 204 of the Agricultural Act of 1964, 78 Stat. 183, approved April 11, 1964, made this amendment effective only with respect to the marketing years beginning in the calendar years 1964 and 1965. This bill, by amending the Agricultural Act of 1964, continues this amendment in effect only with respect to the marketing years beginning in the calendar years 1966 through 1969 but substitutes the words "section 107(1) of the Agricultural Act of 1949" for the words "not accompanied by marketing certificates."

restrictions, or to reduce his acreage of that commodity by more than 50 per centum below the amount permitted by such restrictions.

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[(4) Not to graze any acreage established in protective vegetative cover prior to January 1, 1959, or such later date as may be provided in the contract, except pursuant to the provisions of section 103(a) (3) hereof; and if such acreage is grazed at the end of such period, to graze such acreage during the remainder of the period covered by the contract in accordance with sound pasture management.]

(4) Not to graze any acreage established in protective vegetative cover prior to the expiration of the contract except pursuant to the provisions of section 103(a) (3) hereof.

* * * * *

(6) (A) In the event that the Secretary determines that there has been a violation of the contract (including the prohibition of grazing on conservation acreages) at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, to forfeit [all] such rights to payments or grants under the contract, and to refund to the United States [all] such payments and grants received by him thereunder[.], *as the Secretary may determine to be appropriate.*

* * * * *

(7) To such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this title and to facilitate the practical administration of the conservation reserve program, including provisions relating to control of noxious weeds. *The Secretary shall not require a person who has operated the land to be covered by a contract under this section for as long as three years preceding the date of the contract and who controls the land for the contract period to own the land as a condition of eligibility for entering into the contract.*

(b) In return for such agreement by the producer the Secretary shall agree:

(1) [To bear such part of the cost (including labor) of establishing and maintaining vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this title, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area in which the farm is situated, and] *To bear such part of the average cost (including labor) for the county or area in which the farm is situated of establishing and maintaining vegetative cover or other uses on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this title, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area; and*

(2) To make an annual payment to the producer for the term of the contract upon determination that he has fulfilled the provisions of the contract entitling him to such payment. The rate or rates of the annual payment to be provided for in the contracts shall be established on such basis as the Secretary determines will provide producers with a fair and reasonable annual return on the land established in protective vegetative cover or water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, taking into consideration

the value of the land for the production of commodities customarily grown on such kind of land in the county or area, the prevailing rates for cash rentals for similar land in the county or area, the incentive necessary to obtain contracts covering sufficient acreage for the substantial accomplishment of the purposes of the conservation reserve program, and such other factors as he deems appropriate. Such rate or rates may be determined on an individual farm basis, a county or area basis, or such other basis as the Secretary determines will facilitate the practical administration of the program. *The rate or rates of annual adjustment payments as determined hereunder may be increased by an amount determined by the Secretary to be appropriate as a wildlife service payment based upon the benefit of wildlife uses established on the land by producers who permit access to such land by the public during the contract period for hunting, trapping, fishing, and hiking under applicable State and Federal regulations.*

(c) In determining the lands in any area to be covered by contracts entered into under this section, the Secretary may use advertising and bid procedure if he determines that such action will contribute to the effective and equitable administration of the conservation reserve program.

(d) **[A contract shall not be terminated under paragraph (6) of subsection (a) unless the nature of the violation is such as to defeat or substantially impair the purposes of the contract.]** *A contract shall not be terminated under paragraph (6) of subsection (a) unless the violation is one which the Secretary has prescribed by regulation to be of such nature as to defeat or substantially impair the purposes of the contract.* Whenever the State committee believes that there has been a violation which would warrant termination of a contract, the producer shall be given written notice thereof by registered mail or certified mail or personal service, and the producer shall, if he requests such an opportunity within thirty days after the delivery or service of such notice, be given an opportunity to show cause, in an informal proceeding before the county committee under regulations promulgated by the Secretary, why the contract should not be terminated. If the producer does not request an opportunity to show cause why the contract should not be terminated within such thirty-day period, the determination of the State committee made in accordance with regulations of the Secretary shall be final and conclusive. If the producer within such thirty-day period requests an opportunity to show cause why the contract should not be terminated, the county committee, at the conclusion of the proceeding, shall submit a report, including its recommendations, to the State committee for determination, on the basis of such report and such other information as is available to the State committee, as to whether there has been a violation which would warrant termination of the contract. The producer shall be accorded the right, in accordance with regulations promulgated by the Secretary, to appear before the State committee in connection with the State committee's determination of the issue. The producer shall be given written notice by registered or certified mail or personal service of the State committee's determination. If the producer feels aggrieved by such determination, he may obtain judicial review of such determination by filing a complaint with the United States district court for the district in which the land covered by the contract is located, within ninety days after the delivery or service of notice of such determination, requesting the

court to set aside such determination. Service of process in such action shall be made in accordance with the rule for service of process upon the United States prescribed by the Rules of Civil Procedure for the United States District Courts. The copy of the summons and complaint required to be delivered to the officer or agency whose order is being attacked shall be sent to the chairman of the State committee. The action in the United States district court shall be a trial de novo to determine whether there has been a violation which would warrant termination of the contract. If the producer does not seek judicial review of the State committee's determination within the ninety-day period allowed therefor, the State committee's determination shall be final and conclusive. The terms "county committee" and "State committee" as used herein refer to the county and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

(e) *The total acreage placed under contract in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community.*

(f) *The acreage on any farm which is diverted from the production of any commodity pursuant to a contract hereafter entered into under this subtitle shall be deemed to be acreage diverted from that commodity for the purposes of any commodity program under which diversion is required as a condition of eligibility for price support.*

* * * * *

AUTHORIZED PERIOD OF CONTRACTS AND EXPENDITURES

SEC. 109. (a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the five-year period 1956-1960 to be carried out during the period ending not later than December 31, 1969, except that contracts for the establishment of tree cover may continue until December 31, 1974. *The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the period 1966-1969 to be carried out during the period ending not later than December 31, 1978.*

(b) The period covered by any contract shall not exceed ten years, except that contracts for the establishment of tree cover entered into during the five-year period 1956-1960 may extend for 15 years.

(c) *[In carrying out the conservation reserve program, the Secretary shall not enter into contracts with producers which would require payments to producers, including the cost of materials and services in excess of \$450,000,000 in any calendar year.] In carrying out the program authorized by this subtitle B, the Secretary shall not during any fiscal year enter into contracts with producers which would require payments to producers, including the cost of materials and services, in excess of \$225,000,000 in any calendar year.*

* * * * *

CONSERVATION MATERIALS AND SERVICES

SEC. 111. (a) The Secretary may purchase or produce conservation materials and services and make such materials and services available to producers under the conservation reserve program to aid them in establishing vegetative cover or [water storage facilities, or other soil-, water-, wildlife-, or forest-conserving] *other* uses, under contracts authorized by this subtitle B, may reimburse any Federal, State, or local government agency for conservation materials and services furnished by such agency, and may pay expenses necessary in making such materials, and services available, including all or part of the cost incident to the delivery, application, or installation of materials and services.

(b) Notwithstanding any other provision of law, in making conservation materials and services available to producers hereunder, the Secretary may make payments, in advance of determination of performance by the producers, to persons who fill purchase orders covering approved conservation materials or who render services to the Secretary in furnishing to producers approved conservation materials or services for the establishment by the producers of vegetative cover or [water storage facilities, or other soil-, water-, wildlife-, or forest-conserving] *other* uses, under contracts authorized by this subtitle B. The price at which purchase orders for any conservation material or service are filled may be limited, if the Secretary determines that it is necessary in the interest of producers and the Government, to a fair price fixed in accordance with regulations prescribed by the Secretary.

[EFFECT ON OTHER PROGRAMS]

[SEC. 112. Notwithstanding any other provision of law—

(1) insofar as the acreage of cropland on any farm enters into the determination of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, the cropland acreage on the farm shall not be decreased during the period of any contract heretofore or hereafter entered into under this subtitle by reason of any action taken for the purpose of carrying out such contract and, under regulations of the Secretary, shall not be decreased, for such period after the expiration of the contract as is equal to the period of the contract, by reason of the maintenance of any change in land use from cultivated cropland to permanent vegetation carried out under the contract;

(2) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out any contract heretofore or hereafter entered into under this subtitle or in order to maintain, for such period after the expiration of the contract as is equal to the period of the contract, any change in land use from cultivated cropland to permanent vegetation carried out under the contract shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended.]²⁶

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²⁶ Section 506 of the bill repeals this provision and provides a uniform method for preservation of history. Section 506 provides that all rights accruing under this provision to persons who entered into contracts or agreements prior to repeal shall be preserved.

SUBTITLE C—GENERAL PROVISIONS

COMPLIANCE WITH ACREAGE ALLOTMENTS

SEC. 114. **【No person】** *Except as the Secretary may by regulation prescribe, no person*, shall be eligible for payments or compensation under this title with respect to any farm for any year in which (1) the acreage of any basic agricultural commodity other than wheat or corn on the farm exceeds the farm acreage allotment for the commodity under title III of the Agricultural Adjustment Act of 1938, as amended, or (2) in the case of a farm which is not exempted from marketing quota penalties under section 335(f) of the Agricultural Adjustment Act of 1938, as amended, the wheat acreage on the farm exceeds the larger of the farm wheat acreage allotment under such title or fifteen acres, or (3) the corn acreage on the farm, in the case of a farm in the commercial corn-producing area, exceeds the farm base acreage for corn or the farm acreage allotment, whichever is in effect. For the purpose of this section, a producer shall not be deemed to have exceeded his farm acreage allotment or farm base acreage, unless such producer knowingly exceeded such allotment or base acreage and, in the case of wheat, unless such producer knowingly exceeded the farm acreage allotment or fifteen acres, whichever is larger.

Notwithstanding any other provision of this section—(1) no person shall be ineligible to receive payments or compensation under an acreage reserve contract for 1958 by reason of the fact that the corn acreage on the farm exceeds the farm acreage allotment for corn if the county in which such farm is located is included in the commercial corn producing area for the first time in 1958; (2) no person shall be ineligible to receive payments or compensation under an acreage reserve contract for any year subsequent to 1958 or a conservation reserve contract by reason of the fact that the corn acreage on the farm exceeds the farm acreage allotment for corn if such contract was entered into prior to January 1 of the first year for which the county is included in the commercial corn producing area: *Provided*, That the foregoing provisions of this sentence shall apply only to a farm for which an “old farm” corn allotment is established for such first year. For purposes of this provision, a contract which has been terminated by the producer under the program regulations by reason of the fact that the county in which the farm is located was included in the commercial corn-producing area for the first time in 1958, and which is reinstated, shall be deemed to have been entered into as of the original date of execution of such contract.

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UTILIZATION OF OTHER AGENCIES

SEC. 118. (a) With respect to conservation aspects of any program under this title, the Secretary shall consult with the soil-conservation districts, State foresters, State game and fish agencies, land-grant colleges, and other appropriate agencies of State governments, and with the Fish and Wildlife Service, in the formulation of program provisions at the State and county levels. The technical resources of the Soil Conservation Service, the Forest Service, the land-grant colleges, the State foresters, State game and fish agencies, the Fish and Wildlife Service, and other appropriate technical services shall be

utilized, so far as practicable, to assure coordination of conservation activities and a solid technical foundation for the program.

(b) *For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds appropriated for carrying out this title to any other Federal agency or to States or local governmental agencies for use in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife and recreational facilities, and the prevention of air and water pollution.*

(c) *The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices and uses which will establish, protect and conserve open spaces, natural beauty, wildlife and recreational resources, and prevent air and water pollution.*

(d) *The Secretary may, without regard to the civil service laws, appoint an Advisory Board on Wildlife to advise and consult on matters relating to his functions under this title as he deems appropriate. The Board shall consist of twelve persons chosen from members of wildlife organizations, farm organizations, State game and fish agencies, and representatives of the general public. Members of such Advisory Board who are not regular full-time employees of the United States shall, while attending meetings or conferences of such Board or otherwise engaged on business of such Board, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding \$100 per diem, including travel time, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.*

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[PENALTY FOR GRAZING OR HARVESTING]

[SEC. 123. Any producer who knowingly and willfully grazes or harvests any crop from any acreage in violation of a contract entered into under section 103 or 107 shall be subject to a civil penalty equal to 50 per centum of the compensation payable for compliance with such contract for the year in which the violation occurs. Such penalty shall be in addition to any amount required to be forfeited or refunded under the provisions of such contract, and shall be recoverable in a civil suit brought in the name of the United States.] ²⁷

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AGRICULTURAL ACT OF 1956

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EXPORT SALES PROGRAM FOR COTTON

SEC. 203. In furtherance of the current policy of the Commodity Credit Corporation of offering surplus agricultural commodities for sale for export at competitive world prices, the Commodity Credit Corporation is directed to use its existing powers and authorities immediately upon the enactment of this Act to encourage the export of cotton by offering to make cotton available at prices not in excess

²⁷ Section 505 of the bill provides that the repeal of this section shall not abate any penalty previously incurred by a producer.

of the level of prices at which cottons of comparable qualities are being offered in substantial quantity by other exporting countries and, in any event, for the cotton marketing year beginning August 1, 1956, at prices not in excess of the minimum prices (plus carrying charges, beginning October 1, 1956, as established pursuant to Section 407 of the Agricultural Act of 1949) at which cottons of comparable qualities were sold under the export program announced by the United States Department of Agriculture on August 12, 1955. The Commodity Credit Corporation may accept bids in excess of the maximum prices specified herein but shall not reject bids at such maximum prices unless a higher bid is received for the same cotton. Cottons of qualities not comparable to those of cottons sold under the program announced on August 12, 1955, shall be offered at prices not in excess of the maximum prices prescribed hereunder for cottons of qualities comparable to those of cottons sold under such program, with appropriate adjustment for differences in quality. Such quantities of cotton shall be sold as will reestablish and maintain the fair historical share of the world market for United States cotton, said volume to be determined by the Secretary of Agriculture. *Effective for the period beginning August 1, 1966, and ending July 31, 1970, the prices at which cotton is made available in accordance with the requirements of this section shall not be announced in advance of any agreement to make such cotton available; but the price at which any cotton is sold for export, and the amount of any payment made to assist in the exportation of any cotton, by the Commodity Credit Corporation shall be fixed as each bid or offer to purchase cotton, or to export cotton with the aid of a payment by the Commodity Credit Corporation, is accepted. If the Commodity Credit Corporation shall at any time reject a bid or offer to purchase cotton for export at the maximum price prescribed by this section, or to export cotton in consideration of a payment which would make cotton available for export at the maximum price prescribed by this section, as determined on the basis of the most recent quotations from Liverpool, Bremen, or Osaka available at the time such bid or offer is rejected, the Secretary of Agriculture shall within thirty days after such rejection report such fact to the Congress setting out in full the reasons therefor.*

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FOOD AND AGRICULTURE ACT OF 1962

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SEC. 326. Notwithstanding any other provision of law, performance rendered in good faith in reliance upon action or advice of an authorized representative of the Secretary may be accepted as meeting [the requirements of subsections (c), (d), (g), and (h), of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, or of section 307 of the Food and Agriculture Act of 1962, section 339 of the Agricultural Act of 1938, as amended, or of section 124 of the Agricultural Act of 1961, and] *the requirements of any program under which price support is extended or payments are made to farmers, and price support may be extended or payment may be made therefor in accordance with such action or advice to the extent the Secretary deems it desirable in order to provide fair and equitable treatment.*

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AGRICULTURAL ACT OF 1964

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TITLE II—WHEAT

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SEC. 202. * * *

(7) Section 339(a)(1) is amended, effective only with respect to the crops planted for harvest in **[1964 and 1965]** *the calendar years 1964 through 1969*, to read as follows:

“(a)(1) As a condition of eligibility for wheat **[marketing certificates]** *price support* with respect to any farm, the producers on such farm shall be required to divert from the production of wheat to an approved conservation use an acreage of cropland on the farm equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor, and to participate in any program formulated under subsection (b) to the extent prescribed by the Secretary. Such diversion factor shall be determined by dividing the number of acres by which the national acreage allotment is reduced below fifty-five million acres by the number of acres in the national acreage allotment.”

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SEC. 204. Section 407 of the Agricultural Act of 1949, as amended, is amended, effective only with respect to the marketing years beginning in the calendar years **[1964 and 1965]** *1964 through 1969*, and by striking the second proviso from the third sentence, and substituting: “*Provided further*, That if a wheat marketing allocation program is in effect, the current support price for wheat shall be the support price for wheat **[not accompanied by marketing certificates]** *under section 107(1) of the Agricultural Act of 1949.*”

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NATIONAL WOOL ACT OF 1954

SEC. 701. This title may be cited as the “National Wool Act of 1954.”

SEC. 702. It is hereby recognized that wool is an essential and strategic commodity which is not produced in quantities and grades in the United States to meet the domestic needs and that the desired domestic production of wool is impaired by the depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress, as a measure of national security and in promotion of the general economic welfare, to encourage the annual domestic production of approximately three hundred million pounds of shorn wool, grease basis, at prices fair to both producers and consumers in a manner which will have the least adverse effects upon foreign trade.

SEC. 703. The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations. Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending **[March 31, 1966]** *December 31, 1969*. The support price for shorn wool shall be at such incentive level as the Secretary,

after consultation with the producer representatives, and after taking into consideration prices paid and other cost conditions affecting sheep production, determines to be necessary in order to encourage an annual production consistent with the declared policy of this title: *Provided*, That the support price for shorn wool shall not exceed 110 per centum of the parity price therefor^[.]: *Provided further*, That the support price for shorn wool for the 1966 marketing year shall be determined by adjusting the support price for shorn wool for the 1965 marketing year by multiplying such 1965 support price by the ratio of (i) the average of the parity index (the index of prices paid by farmers, including commodities and services, interest, taxes, and farm wage rates, as defined in section 301(a)(1)(C) of the Agricultural Adjustment Act of 1938, as amended), for the three calendar years preceding the calendar year of announcement of such support price to (ii) the average parity index for the three calendar years 1958, 1959, and 1960, and rounded to the nearest full cent, and that the support price for each subsequent marketing year shall be determined by adjusting the support price for the 1965 marketing year in the same manner as the support price for the 1966 marketing year was determined except that the three-calendar-year period used in (i) of the above ratio shall be advanced by one year for each subsequent marketing year: *Provided further*, That the Secretary shall make price support available to producers marketing not in excess of 1,000 pounds of wool in any marketing year at a level not more than five cents per pound higher than the level made available to producers marketing in excess of 1,000 pounds in such marketing year. ^[.]If the support price so determined does not exceed 90 per centum of the parity price for shorn wool, the support price for shorn wool shall be at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred and sixty million pounds of shorn wool. ^[.]The support prices for pulled wool and for mohair shall be established at such levels, in relationship to the support price for shorn wool, as the Secretary determines will maintain normal marketing practices for pulled wool, and as the Secretary shall determine is necessary to maintain approximately the same percentage of parity for mohair as for shorn wool. The deviation of mohair support prices shall not be calculated so as to cause it to rise or fall more than 15 per centum above or below the comparable percentage of parity at which shorn wool is supported. Notwithstanding the foregoing, no price support shall be made available, other than through payments, at a level in excess of 90 per centum of the parity price for the commodity. The Secretary shall, to the extent practicable, announce the support price levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.

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PUBLIC LAW 74, 77TH CONGRESS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

(1) The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to twice the [normal yield of wheat per acre established for the farm] *projected farm yield* multiplied by the number of acres of such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations issued by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established, the farm marketing excess shall be an amount equal to the actual production of the number of acres of wheat on the farm in excess of the farm acreage allotment for such crop. In determining the farm marketing quota and farm marketing excess, any acreage of wheat remaining after the date prescribed by the Secretary for the disposal of excess acres of wheat shall be included as acreage of wheat on the farm, and the production thereof shall be appraised in such manner as the Secretary determines will provide a reasonably accurate estimate of such production. Any acreage of wheat disposed of in accordance with regulations issued by the Secretary prior to such date as may be prescribed by the Secretary shall be excluded in determining the farm marketing quota and farm marketing excess. Self-seeded (volunteer) wheat shall be included in determining the acreage of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.

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MINORITY VIEWS

U.S. COTTON PRODUCERS HAVE NOT SHARED IN EXPANDING WORLD MARKET

The American cotton producer has not shared in an expanding world market for cotton. In 1930, the United States produced over 50 percent of all cotton produced throughout the world. In 1964, the United States produced less than 30 percent of world production. While the baleage production of cotton in the United States during the last few years is approximately the same as in the 1930-31 period, our acreage is now only one third as much. However, foreign production is about three times what it was during that period, with foreign acreage up 50 percent. (See table 1.)

COTTON PRICES SUPPORTED AT UNREALISTIC LEVELS

For nearly 15 years the method of support for cotton producers' prices has been unrealistic and unresponsive to the needs of the cotton industry. This protective "umbrella" method of price support has not only kept our cotton out of foreign markets—it has encouraged the expansion of acreage and production in foreign countries. This price system for cotton has also contributed to expanded use of synthetic fibers, principally rayon. Price supports on this basis were workable in earlier years when foreign production of cotton and overall production of synthetic fibers were not a serious threat to U.S. cotton. But these competing fibers caught up in the 1950's and cotton's pricing structure should have been changed at that time. And even today, in spite of overwhelming evidence of its adverse effects, the majority on our committee has approved these provisions for continuing this same method of price support loans that has proven unworkable. (See table 2.)

U.S. GOVERNMENT HAS SERVED AS "COTTON PAWNBROKER"

With this impractical price-support system for cotton the Government has been relegated to the position of "pawnbroker" in the cotton market. The Commodity Credit Corporation now owns more than 11 million bales of cotton. The cost of taking this cotton under price-support loan, taking ownership of it when the loan matures, storing each bale for approximately 20 months from the time it was produced until disposed of—and some of it will be stored much longer—averages more than \$25 per bale, or 5 cents per pound. This is merely the cost of handling and deterioration—it does not include losses due to selling for less than CCC's investment in order to dispose of the cotton. During the past 13 years over 61 million bales have been placed under loan. Some was redeemed, of course, but over 45 million bales came into CCC ownership. (See table 3.)

The Government should not be in the cotton business. The cotton industry has ceased to be a vital part of our economy as a result of

the Government's assumption of a "pawnbroker" role in which it has unduly restrained the normal forces of a competitive market. We must let cotton enter the market at its real competitive value—let it compete in the marketplace—both with foreign-produced cotton and with competitive synthetic fibers. The only way to do this is to make the price-support loan level comport to the world market price.

FARMERS' INCOME SHOULD BE MAINTAINED

Now, there was, and is, a justifiable reason for maintaining cotton farmers' income. We have found acceptable ways to do this in the case of wheat, feed grains, wool, and sugar. Why not for cotton? Producer income has been maintained by letting their commodities seek a true value in the marketplace while complementing prices received with direct payments. It is time that we face up to the fact that cotton producers are no different from the producers of other agricultural commodities and that we should not continue to drive these farmers out of the cotton business; neither should we drive out cotton merchants and others dependent upon cotton from their current, useful activities. Cotton is the best of all natural fibers and we should not force the manufacturers of cotton to turn to other fibers in order to hold and build their markets.

NEW APPROACH SHOULD BE FOUND

These considerations make imperative the adoption of a new approach under which—

1. U.S. cotton would be fully competitive in world markets with foreign-produced cotton and with synthetic fibers produced here and abroad. This can be achieved only with a program of price support loans based on the world market price.

2. Farm income from cotton would be maintained for cotton farmers on equal terms with those producing other agricultural commodities. This can be achieved with payments supplementing the price support loan.

3. Surplus stocks of cotton would be brought down to reasonable levels. This can be achieved with payments made during the adjustment period to producers who participate by reducing planted acreages.

4. Government costs would be reduced. This can be achieved with additional consumption in a market where cotton seeks its price level largely free of Government involvement and with stock reductions through reduced production.

PROPOSAL BY SENATE COMMITTEE DOES NOT MEET NEEDS

The cotton provisions approved by the Senate committee fail to provide these needed changes in the cotton program. In brief, the committee proposal extends the programs now in effect with modifications as follows:

1. They continue price support loans at a level wholly unrelated to the world market price which has proven itself to be the dominant factor in vesting control of the Nation's cotton business in the Government.

2. They do not allow cotton to move to market on a free, competitive basis—instead, one subsidy rate would apply to domestic consumption and a higher rate to exports.

3. They provide a forced sale and subsidy arrangement on export cotton which would disrupt the world cotton market, create serious international problems, and place the Secretary of Agriculture in the position of “dumping” large stocks in foreign markets at staggering costs to our Government.

4. These provisions will not reduce carryover stocks to manageable levels. At expiration of the 4-year program the carryover will have been brought down to 12.5 million bales, a reduction of only 3 million bales.

5. Lastly, and most importantly, these provisions would result in much higher program costs to the Government. For the 4-year period, the Department of Agriculture estimates that the program reported out by this committee will cost over \$1 billion more than a program along the lines of H.R. 9811 as passed by the House.

BASIC CHANGE MUST BE MADE

So we strongly urge this basic change in cotton legislation. We believe the time for change is ripe—in fact far overdue—and that no real progress will be made in providing a sensible, workable cotton program until the Congress abandons artificial price support loan levels and starts anew with loans which will move cotton to market on a competitive basis.

Cotton's situation is desperate. Carryover stocks this season will rise to an all-time record high of 15.5 million bales—at least 8 million above normal carryover requirements. Government expenditures on cotton this fiscal year are estimated at over \$800 million. This is our problem: excessive stocks and excessive costs. Unless dealt with effectively it will grow worse, to the detriment of cotton farmers, other segments of the cotton industry, and the Nation as a whole.

Comparative estimates of Government expenditures and carryovers under the program reported by the committee and under proposed program rejected by the committee (H.R. 9811)

	1966	1967	1968	1969
Expenditures (millions of dollars):				
Committee program.....	730	954	1,050	1,146
Rejected program.....	723	694	711	719
Carryover (thousands of bales):				
Committee program:				
Beginning carryover.....	15,400	15,300	13,850	12,950
Ending carryover.....	15,300	13,850	12,950	12,550
Rejected program:				
Beginning carryover.....	15,400	14,200	12,500	10,700
Ending carryover.....	14,200	12,500	10,700	8,700

PRESIDENT JOHNSON RECOMMENDED NEW APPROACH

In his agricultural message earlier this year, President Johnson recommended new legislation to make cotton more competitive and to reduce stocks and Government costs. The House has passed H.R. 9811 with cotton provisions embodying the world level support price loan which we consider the basic necessary ingredient for a new program. This bill meets other requirements as to stock and cost reductions and, in addition, it provides farmers more freedom to plan and adjust their cotton production operations than any cotton program yet devised. The 4-year bill would reduce annual costs substantially below current levels and would bring carryover stocks down from 15.5 million bales on August 1, 1966, to about 8.7 million bales when the program terminates in 1970. During the 4-year period farm income from cotton would be maintained at levels comparable to the present level.

SUMMARY

In conclusion, we reiterate and emphasize our support to the principle of Government loans to cotton farmers at a level which will permit and encourage the movement of cotton into trade channels rather than the ownership of Commodity Credit Corporation.

The opportunity is at hand to act constructively for this commodity. If we do so, the industry will prosper and grow; if not, decline will come quickly. At stake is gainful employment for several million citizens in the long process extending from placement of cottonseed in the soil to delivery of finished cotton products over the counter.

In our opinion no worthwhile, lasting progress will be made toward maintaining and improving this great industry until the Congress acts forthrightly to remove the Government from the business of financing, storing, and merchandising cotton at prices established in Washington. We urge rejection of the committee's provisions in the bill—rejection of what amounts to an outdated program which does not meet the needs of our times.

HERMAN E. TALMADGE.
B. EVERETT JORDAN.
DONALD RUSSELL.

TABLE 1.—*Production and acreage harvested of cotton, United States, foreign countries and world, 1925 to 1964*

Year beginning Aug. 1	Production (thousands of bales) ¹			Acreage harvested (thousands of acres)		
	United States	Foreign countries	World	United States	Foreign countries	World
1925.....	16, 105	12, 135	28, 240	44, 386	43, 314	87, 700
1926.....	17, 978	10, 942	28, 920	44, 608	39, 942	84, 550
1927.....	12, 956	11, 934	24, 890	38, 342	39, 758	78, 100
1928.....	14, 477	12, 403	26, 880	42, 434	42, 866	85, 300
1929.....	14, 825	12, 035	26, 860	43, 232	43, 168	86, 400
1930.....	13, 932	12, 298	26, 230	42, 444	43, 006	85, 450
1931.....	17, 097	10, 723	27, 820	38, 704	43, 396	82, 100
1932.....	13, 003	11, 297	24, 300	35, 891	42, 609	78, 500
1933.....	13, 047	13, 873	26, 920	29, 383	46, 717	76, 100
1934.....	9, 636	14, 174	23, 810	26, 866	48, 634	75, 500
1935.....	10, 638	16, 877	27, 515	27, 509	51, 901	79, 410
1936.....	12, 399	19, 952	32, 351	29, 755	54, 810	84, 565
1937.....	18, 946	20, 059	39, 005	33, 623	58, 942	92, 565
1938.....	11, 943	18, 017	29, 960	24, 248	51, 652	75, 900
1939.....	11, 817	17, 818	29, 635	23, 805	49, 465	73, 270
1940.....	12, 566	18, 639	31, 205	23, 861	53, 369	77, 230
1941.....	10, 744	17, 161	27, 905	22, 236	52, 149	74, 385
1942.....	12, 817	14, 528	27, 345	22, 602	44, 873	67, 475
1943.....	11, 427	14, 208	25, 635	21, 610	46, 485	68, 095
1944.....	12, 230	12, 585	24, 815	19, 617	39, 973	59, 590
1945.....	9, 015	12, 110	21, 125	17, 029	37, 491	54, 520
1946.....	8, 640	12, 950	21, 590	17, 584	38, 116	55, 700
1947.....	11, 860	13, 380	25, 240	21, 330	38, 380	59, 710
1948.....	14, 877	14, 293	29, 170	22, 911	40, 019	62, 930
1949.....	16, 128	15, 152	31, 280	27, 439	42, 181	69, 620
1950.....	10, 014	18, 241	28, 255	17, 843	50, 357	68, 200
1951.....	15, 149	20, 571	35, 720	26, 949	57, 801	84, 750
1952.....	15, 139	20, 681	35, 820	25, 921	56, 054	81, 975
1953.....	16, 465	22, 655	39, 120	24, 341	56, 189	80, 530
1954.....	13, 697	24, 939	38, 636	19, 251	60, 024	79, 275
1955.....	14, 721	27, 999	42, 720	16, 928	67, 582	84, 510
1956.....	13, 310	28, 890	42, 200	15, 615	66, 925	82, 540
1957.....	10, 964	30, 551	41, 515	13, 558	65, 732	79, 290
1958.....	11, 512	32, 938	44, 450	11, 849	66, 511	78, 360
1959.....	14, 558	32, 007	46, 565	15, 117	64, 688	79, 805
1960.....	14, 272	32, 908	47, 180	15, 309	63, 981	79, 290
1961.....	14, 318	31, 597	45, 915	15, 634	64, 853	80, 487
1962.....	14, 867	33, 431	48, 298	15, 569	63, 915	79, 484
1963.....	15, 334	34, 845	50, 179	14, 212	66, 287	80, 499
1964.....	15, 180	36, 425	51, 605	14, 060	67, 550	81, 610

¹ Bales of 500 pounds gross weight.

Source: Statistical Reporting Service and Foreign Agricultural Service.

TABLE 2.—*Manmade fibers: Production in United States and foreign countries, average, 1947-49 and annual 1950 to date*

[In millions of pounds]

Calendar year	United States			Foreign countries, free world		
	Rayon and acetate	Non-cellulosic ¹	Total ²	Rayon and acetate	Non-cellulosic ¹	Total ²
Average: 1947-49.....	1,032	74	1,106	1,209	9	1,218
1950.....	1,259	146	1,405	1,927	26	1,953
1951.....	1,294	205	1,499	2,296	51	2,347
1952.....	1,136	256	1,392	1,916	64	1,979
1953.....	1,197	297	1,494	2,415	88	2,503
1954.....	1,086	344	1,430	2,745	127	2,872
1955.....	1,261	455	1,716	3,046	178	3,224
1956.....	1,148	497	1,645	3,336	246	3,582
1957.....	1,139	626	1,766	3,467	352	3,819
1958.....	1,035	594	1,629	3,046	399	3,445
1959.....	1,167	793	1,960	3,368	598	3,956
1960.....	1,028	854	1,883	3,603	837	4,441
1961.....	1,095	900	1,995	3,617	1,015	4,632
1962.....	1,272	1,163	2,435	3,752	1,316	5,068
1963.....	1,349	1,348	2,697	4,044	1,667	5,711
1964.....	1,432	1,647	3,079	4,357	2,181	6,538
	Foreign countries, Communist bloc			World total		
	Rayon and acetate	Non-cellulosic	Total ²	Rayon and acetate	Non-cellulosic	Total ²
Average, 1947-49.....	216	1	217	2,460	84	2,544
1950.....	366	5	372	3,553	177	3,730
1951.....	419	9	428	4,010	264	4,274
1952.....	483	14	497	3,534	333	3,867
1953.....	542	20	562	4,154	405	4,559
1954.....	639	24	663	4,469	495	4,954
1955.....	717	37	754	5,023	670	5,693
1956.....	768	42	811	5,252	786	6,038
1957.....	841	51	892	5,448	1,029	6,477
1958.....	932	58	991	5,014	1,051	6,065
1959.....	1,002	68	1,070	5,537	1,449	6,986
1960.....	1,099	77	1,177	5,731	1,769	7,500
1961.....	1,201	109	1,310	5,914	2,024	7,938
1962.....	1,273	145	1,418	6,298	2,624	8,922
1963.....	1,335	179	1,514	6,728	3,193	9,921
1964.....	1,466	225	1,691	7,256	4,053	11,309

¹ Includes glass fiber.² Totals were made before data were rounded.

Source: The Textile Organon, a publication of the Textile Economics Bureau, Inc.

TABLE 3.—*Upland cotton pledged for loans and purchases by Commodity Credit Corporation, 1933-64*

Crop year	1,000 bales	Crop year	1,000 bales
1933.....	1,926	1949.....	3,190
1934.....	4,632	1950.....	8
1935.....	115	1951.....	1,115
1936.....	(1)	1952.....	2,308
1937.....	5,581	1953.....	6,764
1938.....	4,482	1954.....	2,270
1939.....	30	1955.....	7,231
1940.....	3,180	1956.....	4,831
1941.....	2,221	1957.....	3,737
1942.....	3,143	1958.....	6,776
1943.....	3,594	1959.....	² 8,950
1944.....	2,122	1960.....	² 8,320
1945.....	216	1961.....	4,820
1946.....	146	1962.....	6,809
1947.....	280	1963.....	7,978
1948.....	5,272	1964.....	7,288

¹ No loan program.² Loan and purchase program in operation.

ESTIMATED PAWNBROKER COSTS

If a bale placed under loan is not redeemed it will be taken into CCC inventory upon maturity of the loan. If it is sold by CCC 10 months later at a price equal to that at which it was placed under loan, CCC costs would be about as follows:

	<i>Cents per pound</i>
(a) Storage, 20 months.....	1. 58
(b) Interest, 20 months.....	1. 90
(c) Loss on final settlement (deterioration in grade).....	1. 35
(d) Administration of program.....	. 20

Under the above assumptions CCC costs would be \$25.15 per bale.

CCC currently has in inventory from the 1963 and prior crops about 6,642,000 bales and from the 1964 crop about 4,820,000 bales. This cotton must be disposed of by CCC and its costs will depend on the terms of disposition.

SUPPLEMENTAL VIEWS OF MESSRS. MONDALE AND McGOVERN

During the Committee on Agriculture's consideration of S. 1702, the Agricultural Act of 1965, the following amendment was added:

SEC. 706. Notwithstanding any other provision of law, whenever the application of any law of the United States requires determinations to be made of the amounts of land, labor, material, or services needed for the production and harvesting of any agricultural crop, or of the availability thereof for such production and harvesting, such determinations shall be made by the Secretary of Agriculture and shall be accepted by all agencies of the United States in the carrying out of activities in which such determinations are needed.

This provision raises serious questions about policies and procedures established and followed for a long time. This amendment is open to attack on grounds of bad procedure, bad administration, and bad policy.

Specifically, here is why we oppose this provision:

1. Its insertion in the farm bill violates the orderly procedures of the Senate. According to the amendment's sponsor, it is intended to deal with the importation of foreign farm workers, a highly controversial subject both in and out of Congress.

Even though its effects are enormous, even though the bases for it are in great dispute and even though the subject it deals with is highly controversial, the amendment was treated in committee as a minor appendage to a major bill. It involves matters under the jurisdiction of the Senate Committee on Labor and Public Welfare, Committee on the Interior, Committee on the Judiciary, Committee on Foreign Relations, and perhaps others.

2. Its provisions would cause confusion rather than simplify existing procedures. Not only would it deal with farm labor, but also with "land * * * material or services" without defining any of these. Not only would it take jurisdiction away from the Department of Labor, but it would inject the Department of Agriculture into administration of irrigation, water supply, and land leasing done by the Department of the Interior, immigration matters handled by the Departments of Justice and State, water projects administered by the Corps of Army Engineers, and perhaps the concerns of other agencies.

It would nullify an untold number of provisions in an unknown number of presently existing laws as a result of its sweeping statement, "Notwithstanding any other provision of law, whenever the application of any law of the United States requires * * *."

In short, the amendment has far-reaching effects none of which has been studied either by this committee or any other committee of Congress. No one currently can accurately assess all of its implications or all the difficulties which it will cause.

3. Even if the amendment dealt only with the jurisdictions of the Secretaries of Labor and Agriculture, it would be bad public policy. Because a particular group in the Nation is displeased with some actions taken by the Secretary of Labor, his jurisdiction over that area is to be taken away and pressed upon another Cabinet officer who may or may not please the group more.

Are we to act similarly whenever other groups in American society are unhappy with the policies of some administrator or agency? Where would this process stop? There would be no end to the pressure upon Congress and no end to the dislocations and confusion caused in the Federal Government.

4. Even in the farm labor area, the amendment is unworkable. The authority conferred on the Secretary of Agriculture would place him in a difficult position. Presumably the amendment would not operate to change standards and criteria which have been used in deciding these matters. However, the amendment says nothing about the conditions under which the availability of U.S. workers is to be determined, the means of preventing adverse effect to U.S. farmworkers, the conditions under which foreign workers, if any, would be imported, and so on.

Presumably, the sponsors and supporters of the amendment do not want to sweep away the protection which Congress and the Secretary of Labor have provided U.S. farmworkers against the unfair competition of foreign workers. Presumably, they do not want to return to conditions such as existed in 1959 when nearly a half million foreign workers were imported into the United States at a minimum wage of 50 cents an hour.

However, the Secretary of Agriculture would be hard pressed to administer these laws and regulations. He has no machinery for determining the availability of U.S. workers. He has no means for determining at what wage U.S. workers are available. He has no enforcement machinery to assure compliance with any regulations he would issue. That is one of the functions of the U.S. Employment Service, working together with the State employment services, and other parts of the Labor Department.

Are we to take the U.S. Employment Service, all or in part, out of the Labor Department and establish it in the Agriculture Department? Or are we to start a new employment service in the Agriculture Department? Are we to take a part of the Bureau of Employment Security out of the Labor Department and put it in the Agriculture Department? Are we to start a new Bureau of Employment Security in the Agriculture Department? The inefficiencies, duplication, and confusion which this amendment would cause are endless in the farm labor field alone—not to mention the administration of the provisions concerning “land * * * material, or services needed for the production and harvesting of any agricultural crop * * *.”

5. In addition, we would not want to see this amendment jeopardize a bill of vital importance to farmers and farm families across the Nation. It attaches to the bill an ungermane subject on which there

are extremely strong feelings on both sides throughout the Nation, and may well lose the support of groups which would support the bill otherwise.

For the foregoing reasons, we believe that the "land, labor, material and services" amendment in the Agricultural Act of 1965 is inimical to the public interest. We believe that this bill should not be encumbered by any such provision. We urge the Senate to strike the amendment from the bill.

WALTER F. MONDALE.
GEORGE MCGOVERN.

INDIVIDUAL VIEWS OF MR. COOPER

While H.R. 9811 as reported by the Senate Committee on Agriculture and Forestry would determine for the next 4 years the programs for wheat, feed grains, rice, wool, cropland retirement and cotton, unlike the omnibus farm bill proposed in 1961 it grants no large new powers to the Secretary of Agriculture, nor does it contain unique or radical departures from present and past programs. In general, it extends authorities for the voluntary programs designed to maintain and improve farm income while reducing Government-held stocks of surplus commodities. The bill does not deal with another basic commodity, tobacco, which earlier this year was the subject of legislation authorizing the Secretary to formulate an acreage-poundage program—which could be chosen by tobacco growers instead of the present acreage program if approved by two-thirds of the farmers voting in a special referendum.

The Senate bill does differ in many details from H.R. 9811 as passed by the House of Representatives. As I believe our committee made improvements, and because without legislation there will be no cropland retirement or price-support programs for wheat, feed grains, and wool, I support the Senate bill.

FEED GRAINS

The chairman, who gave the most thorough consideration to the bill, proposed a compulsory acreage-control program for corn and other feed grains, subject to a referendum; if rejected by more than one-third of the farmers voting, his proposal made available the voluntary program, but with the price support loan reduced from the present level of about \$1.05 per bushel to not more than 90 cents per bushel. The chairman emphasized the rising costs of the voluntary feed grain program we have had since 1961, and the need to encourage greater compliance with that program if it remains in effect. Since 1961, the price support floor—including both the CCC loan and any direct payment to farmers—has been 65 percent of parity. But the House bill set 65 percent of parity, or about \$1.03 per bushel for corn, as the minimum loan level. The chairman pointed out that supporting the market price of corn at this level provides an “umbrella” for non-cooperators which contributes to the high cost of the program, and that the House provision would restrict, during the next 4 years, the ability of the Secretary to reduce loan levels so as to insure that the benefits of the program inure primarily to cooperators.

As a substitute for the program of compulsory acreage controls recommended by the chairman, I supported the voluntary program and proposed that the total price support, including both the loan and direct payments, be continued between 65 and 90 percent of parity; this provision was adopted by the committee. In addition, Senator Mondale and I proposed the language in section 201 specifying that the loan level for the 1966 through 1969 crops “may be reduced below

the loan level for the 1965 crop by such amounts and in such stages as may be necessary to promote increased participation in the feed grain program, taking into account increases in yields, but so as not to disrupt the feed grain and livestock economy: *Provided*, That this authority shall not be construed to modify or affect the Secretary's discretion to maintain or increase total price support levels to cooperators." Our intention was to make clear the Secretary's authority to reduce the loan while increasing the direct payment to farmers, as was done this year to maintain price support to cooperators at \$1.25 a bushel for corn.

I am glad that both the Senate and House bills maintain the provision I secured in 1961, permitting small farms to place their entire feed grain base up to 25 acres into the diversion program, for this provision has helped secure effective participation in the program and has been widely used in Kentucky.

WOOL

In extending the National Wool Act for 4 years, the committee adopted my proposal authorizing the Secretary of Agriculture to increase by up to 5 cents per pound the support price for producers marketing not in excess of 1,000 pounds of wool annually. Thousands of farms throughout the country still maintain small flocks of sheep, most of them of less than 100 head, which utilize otherwise unused resources. My amendment is designed to encourage, at a low cost, family farms to keep or maintain these farm flocks.

CROPLAND ADJUSTMENT

Title V of the Senate bill renews the conservation reserve of the soil bank. During each of the next 4 years, it would permit farmers to sign up for 5- to 10-year cropland retirement contracts. I have urged extension and expansion of the conservation reserve since 1958, but until this year, the administration refused to maintain the program. I believe it can be a constructive longer range program, and the committee has included the amendments offered by Senator Young to provide safeguards and to coordinate the conservation reserve with the commodity programs.

COTTON

Results of the new cotton program adopted last year have been disappointing. The House bill proposed further steps in the same direction, authorizing a 4-year program but with loan levels and payment rates specified only for 1966. Officials of the Department of Agriculture appearing before the committee in executive session were unable to estimate costs for the program in subsequent years. Because results of the House proposal were unknown and in dispute, and the untried program would have been fixed for 4 years, I supported the alternative proposed by the chairman, essentially extending the authority in effect since 1958 until last year.

SALE OF ALLOTMENTS

Both the House and the Senate committee denied the authority requested by the Secretary of Agriculture to permit the general sale and transfer of allotments—as a kind of Government production franchise separated from the farm to which the allotment had been assigned on the basis of crop history. Section 701 of the bill, which I offered and the committee adopted unanimously, deals with a related issue.

Since the beginning of the allotment programs, when part of a farm is sold the allotments assigned to that farm have been divided essentially according to the proportion of cropland remaining on the parent farm and contained in the tract sold. This method is understood and has been accepted by farmers because it maintains the equity of a system under which the allotment “runs with the land.” My amendment is designed to give statutory support to the established practice of dividing allotments essentially according to the division of cropland.

Rules governing the division of the farm's allotments when part of the farm is sold have been maintained by the Department of Agriculture, and on September 26, 1964, were consolidated and reissued in the Federal Register. In each of the areas in which exceptions from the basic rule are necessary and desirable, my amendment provides authority for the Secretary to prescribe regulations identical or similar to those made effective last fall.

My interest was attracted to this subject by a change in the Department's regulations published in the Federal Register on April 22 of this year. It stated that when part of a farm is sold, the county committee shall divide the allotments for the farm “in the manner designated by the owner.” While officials of the Department who came before our committee indicated that this provision was not intended to be unlimited in its scope, it seemed to me that it provided a means or device which, as a practical matter, could be used to accomplish the sale of allotments—through the purchase and resale of small portions of farms. This would occur if the original owner designated to go with the tract all the allotment it could carry, and the purchaser later resold the tract—designating no allotment to accompany the land.

Because the authority being sought at the same time by the Secretary for the general sale and transfer of allotments was being denied, I considered the April 22 change in regulations contrary to the intent of Congress. Further, I believe it could quickly result in the concentration of allotments in the hands of those who can afford to bid the highest price. My amendment is intended to strike down the April 22 change in regulations and so remove the possibility that it or some subsequent administrative ruling would be used as a device to accomplish the sale of allotments; it is designed, however, to preserve the comprehensive September 26 regulations of the Department,

together with any technical modifications which may in the future be found desirable. Of course with respect to any crop, the Congress may always, if it desires, provide for the sale or transfer of the allotments themselves.

WHEAT EXPORTS TO RUSSIA

The amendment offered by Senator Mondale would remove the administrative requirement that 50 percent of any surplus wheat or other agricultural commodities sold to Communist countries be shipped in U.S. bottoms. I wish to make clear my position, stated last year, that sales be made only for cash—and that our total trade policy with Communist countries be reviewed by the Congress, with our allies, and at the highest level in this country, before such sales are made.

The committee, under the leadership of Senator Ellender, worked hard in executive session for nearly 2 weeks on this bill. While it deals with difficult problems, and parts of it may be controversial, on the whole it is an improved bill to continue the price support programs, and I hope it will be adopted.

JOHN SHERMAN COOPER.

INDIVIDUAL VIEWS OF MR. BOGGS

The Senate Committee on Agriculture and Forestry, under its conscientious and able chairman, has worked hard to assemble this broad farm bill. Given the existing farm situation, the result was predictable. We have a series of compromises which the committee hopes will hold together sufficiently well to receive approval on the Senate floor.

Unfortunately, we do not have an overall agricultural policy against which to measure these programs. They have been conceived within the narrow framework of the problems affecting wheat, cotton, feed grains, rice, and wool. One of the miscellaneous sections of the bill provides for a study by the Department of Agriculture of the extent to which farm programs are of benefit to full-time commercial family farms. This is a good step as far as it goes, but agriculture includes much more than full-time family farms. We need to look at the whole picture.

For example, we considered this farm bill without knowing how this country's tremendous production capacity can best be used in relation to the world's fast-expanding population.

We did not know enough about what shifts in crop production might mean to our domestic economy.

And we did not know how the abundance of our agriculture might better be used in furthering the aims of our foreign policy.

Nearly 2 years ago I introduced legislation providing for a Hoover-type commission to study all phases of agriculture and recommend an overall national policy. This commission, composed of leaders from public and private life, would have investigated, studied, and evaluated the problems and trends of agriculture. It would finally have recommended a national agricultural policy for the good of both the farmer and the consumer, and for the good of the Nation as a whole. No action was taken on this bill, however.

Then, last January, the President indicated in his farm message that he would appoint a similar body to suggest an overall farm policy. But no action has yet been taken.

Until we do know more about the relation of our country's basic industry, farming, to the rest of our country's policies it seems futile to me to continue to propose programs for individual crops. The proponents of these programs are naturally chiefly interested in the crops they represent. The broad picture is overlooked.

Unless we do devise an overall agriculture program I have grave fears that the representatives of the urban areas of our country will soon despair of priming the agricultural pump with money. On the other hand, if they can be shown how agriculture fits into our domestic and foreign policies, I am sure they will be more inclined to support programs necessary to help farmers and make the most of this country's unrivaled ability to produce food and fiber.

J. CALEB BOGGS.

SUPPLEMENTAL VIEWS OF MR. MILLER

The bill reported out by the Senate Committee on Agriculture and Forestry is a better bill than the one passed by the House of Representatives and much better than the bill recommended by the administration. However, as is always the case with an "omnibus" bill, it has both good and bad features—leaving the Members of the Senate with the difficult task of balancing the good against the bad in reaching a decision on how to vote.

I have said many times that there are few Members of Congress who advocate doing away with farm programs. Studies by research economists at Iowa State University, Cornell University, Penn State University, and Oklahoma State University make it clear that without Government farm programs, net annual farm income would fall from \$12 billion (for 1964) to \$6 billion, and this would have a disastrous effect on all segments of the national economy. This is why I have consistently supported the appropriation bills for the Department of Agriculture, without which no farm program could have been put into effect. Those who speak of the "danger" of Congress doing away with farm programs at a time when the agricultural sector of our economy is not sharing fairly in the national net income, are merely throwing up a "strawman" in an effort to fool the farmers.

Nor do farmers have to be apologetic about the cost of so-called farm subsidies. The annual appropriations for the Department of Agriculture amount to around \$5 billion, but farmers receive only half of this amount through the various farm programs—the balance being used for foreign aid, Veterans' Administration, Armed Services, school lunch, disaster, and similar programs. Subsidies for American business amount to \$1.5 billion, and American labor receives subsidies amounting to over a half billion dollars. One could also point to the billions of dollars in Federal Government contracts as a source of income for American businesses and their employees; and billions of dollars are being spent on numerous programs designed to meet the needs of the poverty and low-income sectors of our society.

If they understand the facts about our agricultural economy, I do not believe the American taxpayers should or would complain about the costs to the Federal Government which must be met to help provide a decent living for our farmers and their families. Throughout our history, the American public has been abundantly supplied with food and raw materials for manufacturing, and prices for these goods have been low. Moreover, our Nation's farmers have furnished large quantities of food for the relief of hunger in other countries. In 1964 only 19 cents of the consumer dollar was spent for food. Ten years ago it was 22 cents. Last year it was 30 cents in Western Europe, 50 cents in Russia, and up to 90 cents in some of the underdeveloped countries. In short, our national farm policy has provided both abundance and rapid technical progress, which are of great value to the Nation. But this policy has failed, at the same time, to bring

to farmers the rewards commensurate with their hard work, managerial competence, initiative, and enterprise—particularly in comparison with other segments of our economy.

SOME FACTS ABOUT AGRICULTURE

In order to evaluate the farm programs of recent years, it is necessary to bear in mind the following:

1. From 1961 through 1964, over 2,600,000 farmers and their families left the farm.

2. From 1960 through 1964, the number of farms declined by over 470,000. The Department of Agriculture projects nearly another 100,000 decline for 1965.

3. From 1961 through 1964, farm employment dropped by 920,000, including 287,000 hired farmworkers.

4. Farm parity prices were at 81 in December of 1960 and have been consistently below this figure ever since. In fact, the figure has averaged 76.5 since October of 1962.

5. From 1961 through 1964 costs of farm production increased over \$3 billion, and farm debt increased by over \$12 billion (from \$26.2 to \$38.3 billion).

6. From 1961 through 1964, Federal Government payments to farmers under farm programs increased by \$1,475 million.

7. From 1961 through 1964, total net farm income increased by \$700 million (from \$12 to \$12.7 billion). Since "total net farm income" includes Federal Government payments, it is clear that without any increase in such payments, total net farm income for 1964 would have been \$775 million less than in 1960. In other words, farm prices were depressed \$775 million in 1964 as against 1960, which is why the parity ratio has been so poor.

8. It is true that total cash receipts from livestock and products have increased; but this is deceptive unless one realizes that the quantity marketed has increased still more, so that farmers have actually received less per unit marketed and less for their labors—not more. For example, such cash receipts amounted to \$19,929 million for 1964 as against \$19,880 million for 1963, an increase of \$49 million. But aggregate live weight of meat animals marketed in 1964 was 4 percent more in 1964, so that a comparable increase in cash receipts would have been \$795 million instead of the \$49 million actually obtained.

9. Although total net farm income in 1964 was \$700 million more than in 1960,¹ the dollar was worth 46.9 cents (yearly average) in purchasing power (compared to a 1939 dollar worth 100 cents) in 1960 as against only 44.8 cents (yearly average) in 1964. Therefore, to calculate the "real value" of the total net farm income for 1964 of \$12.700 billion, one would have to reduce it by 4.5 percent, or \$530 million, leaving a total of only \$170 million increase in real net farm income over 1960. Gross farm income in 1964 amounted to \$42.2 billion compared to \$37.9 billion in 1960, an increase of \$4.3 billion. In other words, out of \$4.3 billion increased gross income, our Nation's farmers received a real net income increase of only \$170 million, or 4 percent. The normal relation between net and gross runs around 30 percent (gross of \$42.2 billion in 1964 produced net of

¹ \$12 billion for 1960 and \$12.7 billion for 1964, according to Economic Indicators for July 1965, prepared for the Joint Economic Committee by the President's Council of Economic Advisers.

\$12.7 billion). During the same period (1961 through 1964), total compensation of employees in other businesses increased by over \$52 billion ("real" income). The record is clear that, since 1960, the Nation's farmers have been falling far behind the rest of the economy in their share of our national net income. Long-term comparisons are just as bad or worse. The well-known farm economist Carl H. Wilken has compiled figures comparing a base period (1946-50) to 1964, which show that wages increased 176 percent, national net income increased 140 percent, corporate profits (before taxes) increased 88 percent, and net farm income declined 16 percent.

SOME CONCLUSIONS

If one is willing to face the facts, it is apparent that the cost-price squeeze on farmers has been worsening.

On the cost side of the ledger, the November issue of the Farm Cost Situation, published annually by the Economic Research Service of the Department of Agriculture, shows an increase in the index of costs of goods and services used in production from 103 to 108 from 1960 through 1964. Feed, farm machinery, seed, and wages represent the largest increases. Inflation is a major factor. When the purchasing power of the dollar goes down, one cannot blame the wage earner for asking for a wage increase. Since all of his dollars are worth less, he needs more dollars to meet his family responsibilities. Many farm machinery factories operate under an escalation clause which provides for an automatic wage increase when the retail Consumer Price Index goes up. The net result of all these reactions is an increase in farm costs of production.

On the price side of the ledger, the problem has been an excess of supply over demand (both domestic and export). Until production and consumption are brought into balance, farmers are fighting for higher prices for their production with one hand tied behind their backs. Farm programs have been designed to achieve this balance so that farmers will receive fair prices, and while these programs are supposedly moving toward this objective, Government payments to farmers through the various programs are provided as a means of seeing them through the difficult transition period.

It is alarming to farmers that notwithstanding substantially increased costs of farm programs, farm prices have remained depressed. And the programs themselves do not appear to be effecting the reduction in production required to bring about a balance with consumption. I have the uneasy feeling that some of my colleagues prefer to wink their eyes at the capitalistic economic system when it comes to agriculture in favor of "cheap" food and "cheap" feed, but whatever their motivation they should not use our farmers and their families as pawns in their game of market control. Their voices would be among the first to be raised if the Federal Government imposed wage or price controls for industries in their States.

EVALUATION OF THE BILL

Like the House bill and unlike the administration's bill, the bill reported by the committee leaves the processing tax on wheat milled for domestic consumption at approximately 75 cents per bushel. The administration would have increased this by 50 cents per bushel to

around \$1.25. While this is one way to increase the income of wheat farmers, it does so in a way that bears most heavily on large family, low-income groups. Naturally the flour millers pass the additional cost on to the bakers, who in turn pass the additional cost on to the consumers, principally through an increase in bread prices. Whether the wheat certificate costs 75 cents or \$1.25, the principle is wrong, and this is one reason why I voted against the cotton-wheat bill last year. Government price supports for farmers should be paid for out of the general fund of the Treasury into which tax money is largely paid on the basis of relative ability to pay.

The administration bill would have provided an exemption for wheat milled for other than human consumption, thus bringing about an artificially low price for wheat clears used for starch. This would have had a seriously disruptive effect on the cornstarch industry, which uses in the neighborhood of 300 million bushels of corn annually. The committee bill meets this problem so that the wheat starch industry will not be prejudiced in relation to competition from foreign imports while at the same time preserving the relative shares of the market of the wheat and cornstarch industries.

The committee bill continues the multiple-price program for wheat, resulting in an artificially high price for food wheat and an artificially low price for feed wheat which, of course, competes with regular feed grains still in overproduction. The danger to regular feed grains from this artificial, Government-sponsored competition is revealed by the following figures on sales of wheat for feed:

Marketing year:	Quantity (bushels)
1960-64 (average) -----	41 million
1964-65 -----	72 million
1965-66 (estimated) -----	95 million

The cotton program provided under the committee bill is an attempted improvement over the present program, which hasn't worked and under which the surplus problem has grown much worse. However, I believe that the 3 cents per pound certificate program for keeping our textile mills competitive with foreign cotton imports is too low. Moreover, cotton must be kept competitive with manmade fibers if the domestic consumption of cotton is not to go down. There is a deeply serious social problem affecting cotton farmers and textile mills and their employees and, in the short range, economic principles will have to be bent.

The committee bill, unlike the House bill, does not contain a title relating to dairy. Although this would leave the dairy title of the House bill to negotiations within the conference committee, I believe the committee's action to completely eliminate a dairy title was unduly harsh. The National Milk Producers Federation, among others, presented testimony in support of a class I base plan which, quite obviously, represents a considerable amount of study. However, the problems of the areas where 75 milk marketing orders are in effect are far from uniform; and the question naturally arises over whether Congress should not establish some guidelines which would limit adoption of the new plan to only those milk marketing order areas in which overproduction of fluid milk is a serious problem. Moreover, provision has been made in the House bill for the Secretary of Agriculture to institute a system of transferability

of allotments—with no more definite standard than that such action be “in the best interests of the public,” whatever that is. The Senate committee struck from the administration’s bill title VI authorizing the Secretary to inaugurate a system of transferability of acreage allotments because of its potential restriction on entry of young farmers into production and potential encouragement of corporation farming. Finally, I believe that reference to the producer-handler category should be dropped from any dairy title which might be approved for the reason that legislation in this area would be premature pending the outcome of hearings and recommendations of the National Commission on Food Marketing.

The committee bill is defective in that it continues the power of the Secretary of Agriculture, through sales by the Commodity Credit Corporation, to depress the market price of grains. This action, of course, has been taken in the past for the purpose of “encouraging” farmers to “voluntarily” participate in the programs; but the result has been a lowering of farm income generally. It is true that surplus stocks have been reduced, resulting in a savings to taxpayers through reduced storage costs of such stocks, but this has been at the expense of a segment of our economy which has not been receiving its fair share of our national net income. Some idea of the relationship between large disposals of Commodity Credit Corporation stocks can be obtained from the table set forth below:

Month	Quantity of CCC sales	Average price No. 2 corn Chicago market	Month	Quantity of CCC sales	Average price No. 2 corn Chicago market
	<i>Bushels</i>	<i>Bushels</i>		<i>Bushels</i>	<i>Bushels</i>
October 1961.....	36,328,886	\$1.12	August 1963.....	12,695,861	1.33
November 1961.....	43,401,624	1.12½	September 1963.....	20,846,425	1.36
December 1961.....	73,977,718	1.12½	October 1963.....	16,096,342	1.25½
January 1962.....	109,121,759	1.09	November 1963.....	14,958,929	1.17
February 1962.....	113,091,495	1.10	December 1963.....	13,510,265	1.22½
March 1962.....	214,091,495	1.12	January 1964.....	24,159,603	1.24
April 1962.....	159,351,950	1.14	February 1964.....	27,358,474	1.22
May 1962.....	86,514,940	1.16½	March 1964.....	19,058,069	1.24½
June 1962.....	91,946,649	1.15½	April 1964.....	13,653,048	1.26
July 1962.....	4,739,862	1.14	May 1964.....	8,172,163	1.29
August 1962.....	15,298,448	1.11	June 1964.....	21,902,406	1.27½
September 1962.....	22,829,715	1.13	July 1964.....	1,105,504	1.25
October 1962.....	48,071,730	1.13	August 1964.....	4,026,550	1.26
November 1962.....	41,790,605	1.10	September 1964.....	3,515,475	1.29
December 1962.....	44,041,933	1.16	October 1964.....	4,191,798	1.23
January 1963.....	62,297,911	1.19	November 1964.....	4,415,923	1.19½
February 1963.....	87,654,186	1.21	December 1964.....	4,885,740	1.27½
March 1963.....	152,999,412	1.22	January 1965.....	25,497,367	1.29
April 1963.....	96,224,168	1.21	February 1965.....	61,440,178	1.31
May 1963.....	78,610,432	1.24	March 1965.....	55,129,660	1.33
June 1963.....	84,987,788	1.31	April 1965.....	63,962,681	1.35
July 1963.....	1,488,507	1.33½	May 1965.....	41,190,156	1.37½

Present law requires that Commodity Credit Corporation stocks be disposed at not less than 105 percent of the loan price plus “reasonable carrying charges.” The Department interprets this to mean 105 percent of \$1.10 for 1964 corn, or \$1.15½. Its interpretation of “reasonable carrying charges” is interesting. These are computed at 1½ cents per month, starting in October and running through July, with nothing for August and September. Then the charges are dropped, and the 1½ cents per month starts all over again in October. Thus, using the \$1.15½ as a base, the Department is able to add from 1½ to 15 cents per bushel onto the disposal price. It

would seem that the variation of as much as 15 cents per bushel during a year has a tendency to unstabilize the market.

The Secretary of Agriculture has made it clear that he has fully intended to use his power to dispose of Commodity Credit Corporation stocks as a means of depressing the market. Thus, he testified before the House Agriculture Committee:

We must not yield to the temptation to make prices so high that the programs become unworkable.

And again:

To interpret the feed grains situation, we must remember that in 1961 and 1962, heavy sales of feed grains by Commodity Credit Corporation were an integral part of the program. Congress intended and Congress directed Commodity Credit Corporation to sell corn to keep prices below supports to make the program effective. (Hearings before the Committee on Agriculture, House of Representatives, 89th Cong., 1st sess., Apr. 6, 1965, pp. 10-11.)

The Secretary did not reveal where such "intention" by Congress was set forth, but the fact that Congress gave him so much discretion in disposing of Commodity Credit Corporation stocks might be said to "intend" the consequences of the grant of such power. In any event, it is time for the Congress to curtail this power by placing a higher disposal price on the sale of such stocks.

It might be pointed out that the supply of feed grains is down to around a 4½-month supply. The Department of Agriculture "tentatively" suggests that a national security reserve level of 3½ months is required (p. 1369 of hearings), so that the opportunity for the Commodity Credit Corporation to depress the market by disposing of its stocks is somewhat more limited than it has been. The committee, unwisely in my opinion, decided to not legislate minimum national security reserves of stocks for grain—although earlier this year in his farm message the President recommended that such reserves be established.

An evaluation of the feed grains title appears below.

FEED GRAINS

The feed grains program provided by the Congress prior to 1961 was anything but successful. However, to claim that the programs provided by Congress in 1961 and subsequent years are an "improvement" over what went before does not necessarily mean that they have been a "success." Nor is it responsive to say that the programs for 1961 through 1965 are better than no programs at all. It is claimed that a net reduction in carryover of feed grain stocks for the years 1961 through 1964 amounted to 29 million tons. But this reduction was not due to the new feed grains program, because the reduction is more than accounted for by a reduction in production of barley and oats (not covered by the feed grains program) totaling 12.5 million tons; and by an increase in domestic use and exports totaling 23.5 million tons.

The 1961 so-called emergency feed grains program was extended in 1961 to cover the 1962 crop, and in 1962 to cover the 1963 crop year with some alleged "improvements"; and it was further extended

to cover the 1964 and 1965 crop years with some more alleged "improvements."

Unfortunately these "improvements" haven't worked. Since 1961, production of feed grains has increased 16.9 million tons. Production of corn, grain sorghums, and barley for 1961 totaled 124.4 million tons. It increased to 126.6 million tons in 1962; and to 140.7 million tons in 1963. In 1964, a year characterized by abnormal drought conditions, the total was 122.8 million tons.

Apologists for the present program say that what is needed is "more compliance"; that the loan price for corn, for example, should be lowered to "force" more farmers to "voluntarily" come into the program. For 1965 the support price for those who are in the program is \$1.25, with a loan price of \$1.05 and a payment of 20 cents per bushel of projected yield on nondiverted acres. In 1964 the loan price was \$1.10 with a 15-cent-per-bushel payment. Now there is talk of the Secretary's dropping the loan price to \$1 with a 25-cent-per-bushel payment for 1966.

The trouble with this approach is that it ignores the fact that what is wrong is not so much the number of farmers who are in the program as the quality of their compliance. In Iowa, one of the two leading corn-producing States, 65 percent of the farmers are in the program. On the other hand, only about 25 percent of the corn acreage has been diverted from production. What is needed is more diversion of better productive acres from production. A mandatory program is not needed as some have suggested. Also, it is doubtful that a further reduction in the loan price is going to be effective in bringing more farmers into the program, because (a) a number of smaller farmers cannot afford to reduce their feed grains acreage and make a living; (b) a number of farmers who followed recommended crop planting methods were left with too low a base acreage in comparison with their neighbors who had overplanted their acreage to feed grains; and (c) a large number of farmers feed their own feed grains production and prefer to take their chances with the livestock market.

Under the present program, a farmer can qualify by retiring only 20 percent of his base feed grains acreage. The next year he can qualify by retiring a different 20 percent of his acreage, bringing back into production the acres which have lain fallow for a year and which will be more productive as a result. Moreover, it is only natural that the poorest 20 percent of the feed grains base will be retired each year.

The committee would continue this program notwithstanding its obvious defects. And authority in the Secretary to further reduce the loan price and increase the payments per bushel of projected production on nondiverted acres has been provided under section 201 of subtitle A as follows:

Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion program inure primarily to those producers who cooperate in reducing their acreage of feed grains shall be made available to producers through payments-in-kind. * * * that portion of the support price which is made available through loans and purchases for the 1966 through 1969 crops may be reduced below the loan level for

the 1965 crop (\$1.05) by such amounts and in such stages as may be necessary to promote increased participation in the feed grain program, taking into account increases in yields, but so as not to disrupt the feed grain and livestock economy: *Provided*, That this authority shall not be construed to modify or affect the Secretary's discretion to maintain or increase total price support levels to cooperators.

Present law provides for price support between 65 and 90 percent of parity, which is currently calculated at \$1.58 per bushel of corn. Thus the support price is set at \$1.25 per bushel for 1965. Under section 201 of the committee bill, the Secretary could drop the loan price to below \$1 and make up the difference by increased production payments as long as this does not "disrupt the feed grain and livestock economy." It is my view that this type program has been given ample opportunity to work, and that the record is clear that it has not worked and has at the same time cost the taxpayers a great and increasing amount of money. I don't believe that they would or should be heard to complain if the program was resulting in a reduction in production, but when it has resulted in increased production their complaints are understandable.

ALTERNATIVE PROGRAM

Although the committee refused to substitute a program which would overcome the defects in the present program, it did write into the bill an alternative feed grains program which the Secretary may decide to change over to as the situation develops during the next 4 years. It is impossible for anyone to forecast developments, and since the bill is designed to legislate for the years 1966 through 1969, it would seem prudent to give the Secretary another "tool" to use when he finds that the continued use of the present program is not producing the results intended at a reasonable cost to the taxpayers.

The principal differences between the program authorized under subtitle A and the alternative program authorized under subtitle B are these:

1. The alternative program offers a feed grains farmer a choice between a 1- and a 5-year program. Under the 1-year program he can retire the minimum amount prescribed by the Secretary (currently 20 percent of his feed grains base). Under the 5-year program he must retire at least 40 percent of his feed grains base.

2. With a view to encouraging farmers to retire 40 percent of their feed grains base and keep this retired for 5 years, payments for diversion under the 5-year program would be substantially higher. The Secretary is authorized to pay not less than 50 percent of the support price on the projected yield of the acreage diverted from production for 1-year contracts; and not less than 70 percent for 5-year contracts.

3. Under the alternative program, there would be only diversion payments (much higher than under the present program) and no production payments, as under the present program.

4. A form of insurance to compliers would be furnished by providing that where they are unable to plant on their non-diverted acres due to flood, drought, or other natural disaster, they will receive a payment of not to exceed 25 cents per bushel on their projected yield.

An example of how the alternative program would work in comparison with the present program is set forth below. The example assumes the case of a farmer having a 100-acre corn base acreage with projected yield of 80 bushels per acre and \$1.05 loan price established by the Secretary. It further assumes that the Secretary decides to pay at a rate of 70 and 85 percent for diversion payments on the 1- and 5-year programs, respectively. (NOTE.—If the loan price was set at \$1.10 per bushel, for example, the diversion payment rate could be lowered to result in a like amount of income to the complier.)

1. IF THE FARMERS RETIRED 20 PERCENT OR 20 ACRES

Under present program

He receives one-fifth of the support price of \$1.25 (\$1.05 loan plus 20 cents payment), or 25 cents per bushel, or \$20 per acre, or \$400 diversion payment.

He also receives 20 cents per bushel of projected yield of 80 bushels per acre on the remaining 80 acres, or 6,400 bushels, or \$1,280.

Total received under present program: \$400 plus \$1,280 equals \$1,680.

Under alternative program

He receives a diversion payment of 70 percent of loan price of \$1.05, or 73½ cents per bushel, or \$58.80 per acre, or \$1,176.

2. IF THE FARMER RETIRES 40 PERCENT OR 40 ACRES

Under present program

He receives the higher rate on all 40 acres, or 50 percent of price support of \$1.25, or 62½ cents per bushel, or \$50 per acre, or \$2,000 diversion payment.

He also receives 20 cents per bushel of projected yield of 80 bushels per acre on the remaining 60 acres, or 4,800 bushels, or \$960.

Total received under present program: \$2,000 plus \$960 equals \$2,960.

Under alternate program

He receives a diversion payment of 85 percent of loan price of \$1.05, or 89¼ cents per bushel, or \$71.40 per acre, or \$2,856.

From the foregoing, it may be noted that it is costing taxpayers \$84 per acre to retire 20 acres for 1 year (\$1,680 total payments divided by 20). Under the alternate program it would cost \$58.80.

Where 40 acres are retired, it is costing taxpayers \$74 per acre, whereas under the alternate program it would cost \$71.40 per acre.

Thus it is seen that under the present program, there is far more incentive to retire only 20 percent of the base acreage. Under the alternate program there is far more incentive to retire 40 percent of the base acreage. The alternate program places the incentive where it should be if better results are to be obtained.

It should also be pointed out that under the alternate program it is provided that the Secretary is to administer it in such a way as to limit the amount of production retired in a county or community area so that the business economy of the county or community area will not be adversely affected.

JACK MILLER.

Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

[Report No. 687]

IN THE SENATE OF THE UNITED STATES

AUGUST 20, 1965

Read twice and referred to the Committee on Agriculture and Forestry

SEPTEMBER 7, 1965

Reported by Mr. ELLENDER, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Food and Agriculture
4 Act of 1965".

5 TITLE I—DAIRY

6 ~~SEC. 101.~~ The Agricultural Adjustment Act, as reen-
7 acted and amended by the Agricultural Marketing Agree-
8 ment Act of 1937, as amended, is further amended by strik-
9 ing in subparagraph (B) of subsection 8e(5) all of clause

1 ~~(d)~~ and inserting in lieu thereof a new clause ~~(d)~~ to read
2 as follows:

3 “(d) a further adjustment, equitably to apportion
4 the total value of the milk purchased by any handler, or
5 by all handlers, among producers and associations of
6 producers, on the basis of their marketings of milk, which
7 may be adjusted to reflect sales of such milk by any
8 handler or by all handlers in any use classification or
9 classifications, during a representative period of time
10 which need not be limited to one year. In the event a
11 producer holding a base allocated under this clause ~~(d)~~
12 shall reduce his marketings, such reduction shall not
13 adversely affect his history of production and marketing
14 for the determination of future bases. Allocations to
15 producers under this clause ~~(d)~~ may be transferable un-
16 der an order on such terms and conditions as may be pre-
17 scribed if the Secretary of Agriculture determines that
18 transferability will be in the best interest of the public,
19 existing producers, and prospective new producers. Any
20 increase in class one base resulting from enlarged or in-
21 creased consumption and any producer class one bases
22 forfeited or surrendered shall first be made available to
23 new producers and to the alleviation of hardship and
24 inequity among producers.”;

25 and by adding at the end of said subparagraph ~~(B)~~ the fol-

1 lowing: “Notwithstanding the provisions of section ~~Se(12)~~
 2 and the last sentence of section ~~Se(19)~~ of this Act, order
 3 provisions under ~~(d)~~ above shall not become effective in
 4 any marketing order unless separately approved by producers
 5 in a referendum in which each individual producer shall have
 6 one vote and may be terminated separately whenever the
 7 Secretary makes a determination with respect to such pro-
 8 visions as is provided for the termination of an order in
 9 subparagraph ~~Se(16)-(B)~~. Disapproval or termination of
 10 such order provisions shall not be considered disapproval
 11 of the order or of other terms of the order.”

12 SEC. 102. Such Act is further amended ~~(a)~~ by adding to
 13 subsection ~~Se(5)~~ the following new paragraph: “~~(H)~~ Mar-
 14 keting orders applicable to milk and its products may be
 15 limited in application to milk used for manufacturing.”; and
 16 ~~(b)~~ by amending subsection ~~Se(18)~~ by adding after the
 17 words “marketing area” wherever they occur the words “or,
 18 in the case of orders applying only to manufacturing milk,
 19 the production area”.

20 SEC. 103. The provisions of this title shall not be effec-
 21 tive after December 31, 1969.

22 SEC. 104. The legal status of producer handlers of milk
 23 under the provisions of the Agricultural Adjustment Act,
 24 as reenacted and amended by the Agricultural Marketing

1 Agreement Act of 1937, as amended, shall be the same sub-
2 sequent to the adoption of the amendments made by this
3 title as it was prior thereto.

4 TITLE II—WOOL

5 SEC. 201. In section 703 of the National Wool Act of
6 1954, as amended (68 Stat. 910, 72 Stat. 994, 75 Stat.
7 306), the second sentence is amended to read as follows:
8 “Such price support shall be limited to wool and mohair
9 marketed during the period beginning April 1, 1955, and
10 ending December 31, 1969.”

11 SEC. 202. In section 703 of the National Wool Act of
12 1954, as amended, the proviso at the end of the third sen-
13 tence is amended to read as follows: “*Provided*, That the
14 support price for shorn wool shall not exceed 110 per centum
15 of the parity price therefor nor shall be lower than 77 per
16 centum of the parity price therefor.”

17 SEC. 203. In section 703 of the National Wool Act of
18 1954, as amended, the fourth sentence is amended to read as
19 follows: “If the support price so determined does not exceed
20 90 per centum of the parity price for shorn wool, the support
21 price for shorn wool shall be at such level, not in excess of
22 90 per centum nor less than 77 per centum of the parity
23 price therefor, as the Secretary determines necessary in order
24 to encourage an annual production of approximately three
25 hundred and sixty million pounds of shorn wool.”

TITLE III—FEED GRAINS

SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e):

“(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the acreage

1 acreage devoted on the farm to corn and grain sorghums in
2 1959 and 1960, and does not devote any acreage devoted to
3 the production of oats and rye in 1959 and 1960 to the
4 production of wheat pursuant to the provisions of section
5 328 of the Food and Agricultural Act of 1962. In addition
6 to price support provided under subsections (a) and (b)
7 of this section, which shall be made available through loans
8 and purchases, for any feed grain included in the acreage
9 diversion program, a payment-in-kind may be made avail-
10 able to producers in such amount or amounts as the Secre-
11 tary determines desirable to assure that the benefits of the
12 price support and diversion programs inure primarily to
13 those producers who cooperate in reducing their acreages
14 of feed grains, and to take into account the extent of partici-
15 pation by the producer. Such payments-in-kind shall be
16 made on such part of the acreage of such feed grain planted
17 on the farm for harvest as the Secretary determines desirable
18 to effectuate the purposes of the program: *Provided, That*
19 for purposes of such payments, the Secretary may permit
20 producers of feed grains to have acreage devoted to soybeans
21 considered as devoted to the production of feed grains to
22 such extent and subject to such terms and conditions as the
23 Secretary determines will not impair the effective operation
24 of the price support program. An acreage on the farm
25 which the Secretary finds was not planted to feed grains be-

1 cause of drought, flood, or other natural disaster shall be
2 deemed to be an actual acreage of feed grains planted for
3 harvest for purposes of such payments. The Secretary may
4 make not to exceed 50 per centum of any payments here-
5 under to producers in advance of determination of perform-
6 ance. Payments in-kind shall be made through the issuance
7 of negotiable certificates which the Commodity Credit Cor-
8 poration shall redeem for feed grains (such feed grains to
9 be valued by the Secretary at not less than the current sup-
10 port price made available through loans and purchases, plus
11 reasonable carrying charges) in accordance with regulations
12 prescribed by the Secretary and, notwithstanding any other
13 provision of law, the Commodity Credit Corporation shall,
14 in accordance with regulations prescribed by the Secretary,
15 assist the producer in the marketing of such certificates. The
16 Secretary shall provide for the sharing of such certificates
17 among producers on the farm on a fair and equitable basis.
18 If the operator of the farm elects to participate in the acreage
19 diversion program, price support for feed grains included in
20 the program shall be made available to the producers on
21 such farm only if such producers divert from the production
22 of such feed grains, in accordance with the provisions of
23 such program, an acreage on the farm equal to the number of
24 acres which such operator agrees to divert, and the agree-
25 ment shall so provide. Notwithstanding any other provision

1 of law; payments in-kind under this subsection (e) and sub-
2 section (d) of this section may be adjusted by the Secretary
3 for failure of a producer to comply fully with the terms and
4 conditions of the programs formulated under such subsec-
5 tions and section 16 of the Soil Conservation and Domestic
6 Allotment Act, as amended."

7 SEC. 302. Section 16 of the Soil Conservation and
8 Domestic Allotment Act, as amended, is amended by adding
9 the following new subsection:

10 "(i) Notwithstanding any other provision of law—

11 "(1) For the 1966 through 1969 crops of feed
12 grains, if the Secretary determines that the total supply
13 of feed grains will, in the absence of an acreage diver-
14 sion program, likely be excessive, taking into account
15 the need for an adequate carryover to maintain reason-
16 able and stable supplies and prices of feed grains and
17 to meet any national emergency, he may formulate and
18 carry out an acreage diversion program for feed grains,
19 without regard to provisions which would be applicable
20 to the regular agricultural conservation program, under
21 which, subject to such terms and conditions as the Secre-
22 tary determines, conservation payments shall be made to
23 producers who divert acreage from the production
24 of feed grains to an approved conservation use and in-
25 crease their average acreage of cropland devoted in 1959

and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, not in excess of 50 per centum of the estimated basic county support rate, including the lowest rate of payment in kind in effect. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term 'feed grains' means corn, grain sorghums, and, if designated by the Secretary, barley

1 and if for any crop the producer so requests for pur-
2 poses of having acreage devoted to the production of
3 wheat considered as devoted to the production of feed
4 grains, pursuant to the provisions of section 328 of the
5 Food and Agriculture Act of 1962, the term 'feed
6 grains' shall include oats and rye: *Provided*, That
7 acreages of corn, grain sorghums, and, if designated
8 by the Secretary, barley, shall not be planted in lieu of
9 acreages of oats and rye: *Provided further*, That the
10 acreage devoted to the production of wheat shall not be
11 considered as an acreage of feed grains for purposes of
12 establishing the feed grain base acreage for the farm
13 for subsequent crops. Such feed grain diversion pro-
14 gram shall require the producer to take such measures
15 as the Secretary may deem appropriate to keep such di-
16 verted acreage free from erosion, insects, weeds, and
17 rodents. The acreage eligible for participation in the
18 program shall be such acreage (not to exceed 50 per
19 centum of the average acreage on the farm devoted to
20 feed grains in the crop years 1959 and 1960 or twenty-
21 five acres, whichever is greater) as the Secretary de-
22 termines necessary to achieve the acreage reduction
23 goal for the crop. Payments shall be made in kind.
24 The acreage of wheat produced on the farm during the
25 crop years 1959, 1960, and 1961, pursuant to the

1 exemption provided in section 335(f) of the Agricultural
2 tural Adjustment Act of 1938, as amended, prior to its
3 repeal by the Food and Agriculture Act of 1962, in
4 excess of the small farm base acreage for wheat estab-
5 lished under section 335 of the Agricultural Adjustment
6 Act of 1938, as amended, may be taken into considera-
7 tion in establishing the feed grain base acreage for the
8 farm. The Secretary may make such adjustments in
9 acreage as he determines necessary to correct for ab-
10 normal factors affecting production, and to give due
11 consideration to tillable acreage, crop rotation practices,
12 types of soil, soil and water conservation measures, and
13 topography. Notwithstanding any other provision of
14 this subsection (i)(1), the Secretary may, upon unan-
15 imous request of the State committee established pur-
16 suant to section 8(b) of the Soil Conservation and
17 Domestic Allotment Act, as amended, adjust the feed
18 grain bases for farms within any State or county to
19 the extent he determines such adjustment to be necessary
20 in order to establish fair and equitable feed grain bases
21 for farms within such State or county. The Secretary
22 may make not to exceed 50 per centum of any payments
23 to producers in advance of determination of performance.
24 Notwithstanding any other provision of this subsection,
25 barley shall not be included in the program for a pro-

1 owner of malting barley exempted pursuant to section
2 105(e) of the Agricultural Act of 1949, who partici-
3 pates only with respect to corn and grain sorghums and
4 does not knowingly devote an acreage on the farm
5 to barley in excess of 110 per centum of the average
6 acreage devoted on the farm to barley in 1959 and 1960.

7 “(2) Notwithstanding any other provision of this
8 subsection, not to exceed 1 per centum of the estimated
9 total feed grain bases for all farms in a State for any year
10 may be reserved from the feed grain bases established for
11 farms in the State for apportionment to farms on which
12 there were no acreages devoted to feed grains in the crop
13 years 1959 and 1960 on the basis of the following fac-
14 tors: Suitability of the land for the production of feed
15 grains; the past experience of the farm operator in the
16 production of feed grains; the extent to which the farm
17 operator is dependent on income from farming for his
18 livelihood; the production of feed grains on other farms
19 owned, operated, or controlled by the farm operator; and
20 such other factors as the Secretary determines should be
21 considered for the purpose of establishing fair and equi-
22 table feed grain bases. An acreage equal to the feed
23 grain base so established for each farm shall be deemed to
24 have been devoted to feed grains on the farm in each of
25 the crop years 1959 and 1960 for purposes of this sub-

1 section except that producers on such farm shall not be
2 eligible for conservation payments for the first year for
3 which the feed grain base is established.

4 “(3) There are hereby authorized to be appropri-
5 ated such amounts as may be necessary to enable the
6 Secretary to carry out this section 16(i).

7 “(4) The Secretary shall provide by regulations for
8 the sharing of payments under this subsection among
9 producers on the farm on a fair and equitable basis and
10 in keeping with existing contracts.

11 “(5) Payments in kind shall be made through the
12 issuance of negotiable certificates which the Commodity
13 Credit Corporation shall redeem for feed grains in
14 accordance with regulations prescribed by the Secretary
15 and, notwithstanding any other provision of law, the
16 Commodity Credit Corporation shall, in accordance with
17 regulations prescribed by the Secretary, assist the pro-
18 ducer in the marketing of such certificates. Feed grains
19 with which Commodity Credit Corporation redeems cer-
20 tificates pursuant to this paragraph shall be valued at
21 not less than the current support price made available
22 through loans and purchases, plus reasonable carrying
23 charges.

24 “(6) Notwithstanding any other provision of law,

1 the Secretary may, by mutual agreement with the pro-
2 ducer, terminate or modify any agreement previously
3 entered into pursuant to this subsection if he determines
4 such action necessary because of an emergency created
5 by drought or other disaster, or in order to prevent or
6 alleviate a shortage in the supply of feed grains.”

7 SEC. 303. Section 326 of the Food and Agriculture Act
8 of 1962, as amended, is amended by deleting the language
9 beginning with “the requirements” and ending with “Agricultural Act of 1961, and” and substituting therefor “the
10 requirements of any program under which price support is
11 extended or payments are made to farmers, and price support
12 may be extended or”.

14 TITLE IV—COTTON

15 SEC. 401. The Agricultural Adjustment Act of 1938, as
16 amended, is amended as follows:

17 (1) Section 348 of the Act is amended by adding the
18 following new sentences at the end thereof: “The Secretary
19 may extend the period for performance of obligations incurred in connection with payments made for the period
20 ending July 31, 1966, or may make payments on raw cotton
21 in inventory on July 31, 1966, at the rate in effect on such
22 date. No payments shall be made hereunder with respect to
23 the 1966 crop cotton.”

1 ~~(2)~~ Section 346 of the Act is amended by adding at
2 the end thereof a new subsection as follows:

3 “(e) Notwithstanding any other provision of this Act,
4 for the 1966, 1967, 1968, and 1969 crops of upland cotton,
5 if the farm operator elects to forego price support for any
6 such crop of cotton by planting in excess of the farm acre-
7 age allotment established under section 344, all cotton of
8 such crop produced on the farm may be marketed free of any
9 penalty under this section: *Provided*, That this subsection
10 shall be applicable only to farms for which farm acreage
11 allotments were established for 1965 and the farm operator
12 for the current year was the operator of such farm for 1965
13 or has acquired such farm by inheritance from the operator
14 since such year. The operator of any farm who elects to
15 forego price support for any such year under this subsection
16 shall not be eligible for price support on cotton on any other
17 farm in which he has a controlling or substantial interest
18 as determined by the Secretary. Acreage planted to cotton
19 in excess of the farm acreage allotment established under
20 section 344 shall not be taken into account in establishing
21 future State, county, and farm acreage allotments.”

22 ~~(3)~~ Section 350 of the Act is amended, effective with
23 the 1966 crop, to read as follows:

24 “SEC. 350. In order to afford producers an opportunity

1 to participate in a program of reduced acreage and higher
 2 price support, as provided in section ~~103(d)~~ of the Agri-
 3 cultural Act of 1949, as amended, the Secretary shall deter-
 4 mine a national domestic allotment for the 1966, 1967, 1968,
 5 and 1969 crops of upland cotton equal to the estimated do-
 6 mestic consumption of upland cotton (standard bales of
 7 four hundred and eighty pounds net weight) for the mar-
 8 keting year beginning in the year in which the crop is to
 9 be produced. The Secretary shall determine a farm domestic
 10 acreage allotment percentage for each such year by dividing
 11 ~~(1)~~ the national domestic allotment (in net weight pounds)
 12 by ~~(2)~~ the total for all States of the product of the State
 13 acreage allotment and the projected State yield: *Provided,*
 14 That no farm domestic acreage allotment shall be less than
 15 65 per centum of such farm acreage allotment. The farm
 16 domestic acreage allotment shall be established by multiply-
 17 ing the farm acreage allotment established under section 344
 18 by the farm domestic acreage allotment percentage. Such
 19 national domestic allotment shall be determined not later
 20 than October 15 of the calendar year preceding the year in
 21 which the crop is to be produced.”

22 SEC. 402. Section ~~103~~ of the Agricultural Act of 1949,
 23 as amended, is amended by adding the following new sub-
 24 section at the end thereof:

25 “(d)(1) Notwithstanding any other provision of this

1 Act, if producers have not disapproved marketing quotas,
2 price support shall be made available for the 1966, 1967,
3 1968, and 1969 crops of upland cotton as provided in this
4 subsection.

5 “~~(2)~~ Price support for each such crop of upland cotton
6 shall be made available to cooperators through loans at such
7 level, not exceeding 90 per centum of the estimated average
8 world market price for Middling one-inch upland cotton at
9 average location in the United States for the marketing year
10 for such crop, as the Secretary determines will provide
11 orderly marketing of cotton during the harvest season and
12 will retain an adequate share of the world market for cotton
13 produced in the United States taking into consideration the
14 factors specified in section 401(b) of this Act: *Provided,*
15 That the national average loan rate for the 1966 crop shall
16 reflect 24 cents per pound for Middling one-inch upland
17 cotton.

18 “~~(3)~~ The Secretary also shall provide price support
19 through payments in cash or in kind to cooperators who
20 participate in a cotton acreage reduction program as provided
21 in this subsection: *Provided,* That the total of the national
22 average loan rate for any crop under paragraph ~~(2)~~ and
23 the rate at which payments are made under this paragraph
24 shall not be less than 65 per centum or more than 90 per

1 centum of the parity price for cotton: *Provided further*, That
 2 for the 1966, 1967, 1968, and 1969 crops of cotton payments
 3 shall be made at a rate not less than 9 cents per pound.
 4 Such payments shall be made on the quantity of cotton
 5 determined by multiplying the acreage planted to cotton
 6 within the farm domestic acreage allotment by the pro-
 7 jected farm yield: *Provided*, That any such farm planting
 8 not less than 90 per centum of such allotment shall be deemed
 9 to have planted the entire amount of such allotment.

10 “(4) The Secretary shall provide price support pay-
 11 ments in addition to the payments authorized in paragraph
 12 (3) to cooperators who divert from the production of cotton
 13 to approved conservation practices to the extent prescribed
 14 by the Secretary: *Provided*, That such diversion shall not
 15 exceed 35 per centum of the farm acreage allotment estab-
 16 lished under section 344 of the Agricultural Adjustment Act
 17 of 1938, as amended.

18 “(5) The combined rates of the payments under para-
 19 graphs (3) and (4) for the 1966 crop shall be made on the
 20 farm domestic acreage allotment determined on the basis of
 21 the farm acreage allotment without regard to acreage reap-
 22 portioned to the farm under section 344(m)(2) of the
 23 Agricultural Adjustment Act of 1938, as amended, and
 24 shall be in amounts as follows:

25 “(A) For farms on which the acreage planted to

cotton does not exceed the farm domestic acreage allotment, an amount equal to 69.8 per centum of the basic level of support established under paragraph (2).

“(B) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by not more than 15.4 per centum, an amount equal to 62.1 per centum of the basic level of support established under paragraph (2).

“(C) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by more than 15.4 per centum but by not more than 30.8 per centum, an amount equal to 54.4 per centum of the basic level of support established under paragraph (2).

“(D) Notwithstanding the foregoing provisions of this paragraph, no payment shall be made with respect to the domestic allotment portion of any acreage reapportioned to the farm under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, greater than 42.9 per centum of the basic level of support established under paragraph (2).

“The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance.

“(G) Where the farm operator elects to participate in the acreage reduction program authorized in this subsection

1 and no acreage is planted to cotton on the farm; price sup-
2 port payments shall be made at a rate equal to 50 per centum
3 of the national average loan rate established under paragraph
4 ~~(2)~~ on the quantity of cotton determined by multiplying 15
5 per centum of the farm acreage allotment by the projected
6 farm yield; and the remainder of such allotment may be re-
7 leased under the provisions of section 344(m)~~(2)~~ of the
8 Agricultural Adjustment Act of 1938, as amended. The
9 acreage on which payment is made under this paragraph
10 shall be regarded as planted to cotton for purposes of estab-
11 lishing future State, county, and farm acreage allotments and
12 farm bases.

13 ~~“(7)~~ Additional price support provided under this sub-
14 section by payments in kind shall be made through the
15 issuance of certificates which the Commodity Credit Corpora-
16 tion shall redeem under regulations issued by the Secretary
17 for cotton valued at not less than the loan rate therefor.
18 The Corporation may, under regulations prescribed by the
19 Secretary, assist the producers in the marketing of such
20 certificates at such times and in such manner as the Secre-
21 tary determines will best effectuate the purposes of the
22 program authorized by this subsection.

23 ~~“(8)~~ Payments under this subsection with respect to
24 any farm shall be conditioned on the farm having an acreage
25 of approved conservation uses equal to the sum of ~~(i)~~ the

1 reduction in cotton acreage required to qualify for such
2 payments under this subsection and (ii) the average acre-
3 age of cropland on the farm devoted to designated soil-con-
4 serving crops or practices, including summer fallow and
5 idle land, during a base period prescribed by the Secretary:
6 *Provided*, That the Secretary may permit all or any part
7 of such reduced acreage to be devoted to the production of
8 guar, safflower, sunflower, castor beans, mustard seed, and
9 flax, if he determines that such production is necessary to
10 provide an adequate supply of such commodities, is not likely
11 to increase the cost of the price support program, and will
12 not adversely affect farm income.

13 “(9) The acreage regarded as planted to cotton on any
14 farm which qualifies for payment under this subsection except
15 under paragraph (6) shall, for purposes of establishing future
16 State, county, and farm acreage allotments and farm bases,
17 be the farm acreage allotment established under section 344
18 of the Agricultural Adjustment Act of 1938, as amended,
19 excluding adjustments under subsection (m)(2) thereof.

20 “(10) The Secretary shall provide adequate safeguards
21 to protect the interests of tenants and sharecroppers, includ-
22 ing provision for sharing on a fair and equitable basis in price
23 support under this subsection.

24 “(11) Notwithstanding any other provision of this
25 section, the amount of price support payments made with

1 respect to any farm may be adjusted for failure to comply
2 fully with the terms and conditions of the program formu-
3 lated pursuant to this subsection.

4 “(12) Notwithstanding any other provision of this Act,
5 if, as a result of limitations hereafter enacted with respect
6 to price support under this subsection, the Secretary is unable
7 to make available to all cooperators the full amount of
8 combined price support to which they would otherwise be
9 entitled under paragraphs ~~(2)~~ and ~~(3)~~ of this subsection for
10 any crop of upland cotton, ~~(A)~~ price support to cooperators
11 shall be made available for such crop (if marketing quotas
12 have not been disapproved) through loans or purchases at
13 such level not less than 65 per centum nor more than 90 per
14 centum of the parity price therefor as the Secretary deter-
15 mines appropriate; ~~(B)~~ in order to keep upland cotton to
16 the maximum extent practicable in the normal channels of
17 trade, such price support may be carried out through the
18 simultaneous purchase of cotton at the support price there-
19 for and resale at a lower price or through loans under
20 which the cotton would be redeemable by payment of a
21 price therefor lower than the amount of the loan thereon;
22 and ~~(C)~~ such resale or redemption price shall be such
23 as the Secretary determines will provide orderly market-
24 ing of cotton during the harvest season and will retain an

1 adequate share of the world market for cotton produced in
2 the United States.

3 “~~(13)~~ Section 408(b) of the Agricultural Act of 1949,
4 as amended, is amended by changing the period at the end
5 of the first sentence thereof to a colon and adding the fol-
6 lowing: ‘*Provided, That for the 1966, 1967, 1968, and*
7 *1969 crops of upland cotton a cooperator shall be a producer*
8 *on whose farm the acreage planted to cotton does not exceed*
9 *an acreage equal to 85 per centum of such farm acreage*
10 *allotment determined without regard to any acreage reap-*
11 *portioned to the farm under paragraph 344(m)(2) of the*
12 *Agricultural Adjustment Act of 1938, as amended, plus an*
13 *acreage not to exceed the number of acres reapportioned to*
14 *the farm under such paragraph*’.

15 “~~(14)~~ The provisions of subsection 8(g) of the Soil
16 Conservation and Domestic Allotment Act, as amended,
17 (relating to assignment of payments) shall also apply to
18 payments under this subsection.”

19 SEC. 403. Section 301 of the Agricultural Adjustment
20 Act of 1938, as amended, is amended by adding the follow-
21 ing new subparagraphs to paragraph (13) of subsection (b):

22 “(L) ‘Projected National, State, and county yields’
23 for any crop of cotton shall be determined on the basis of the
24 yield per harvested acre of such crop in the United States;

1 the State and the county, respectively, during each of the
2 five calendar years immediately preceding the year in which
3 such projected yield for the United States, the State, and the
4 county, respectively, is determined, adjusted for abnormal
5 weather conditions affecting such yield, for trends in yields,
6 and for any significant changes in production practices.

7 “(M) ‘Projected farm yield’ for any crop of cotton shall
8 be determined on the basis of the yield per harvested acre
9 of such crop on the farm during each of the three calendar
10 years immediately preceding the year in which such pro-
11 jected farm yield is determined, adjusted for abnormal
12 weather conditions affecting such yield, for trends in yields,
13 and for any significant changes in production practices, but
14 in no event shall such projected farm yield be less than the
15 normal yield for such farm as provided in subparagraph (I)
16 of this paragraph.”

17 SEC. 404. Section 407 of the Agricultural Act of 1949,
18 as amended, is amended by adding at the end thereof the fol-
19 lowing: “Notwithstanding any other provision of this sec-
20 tion, for the period August 1, 1966, through July 31, 1970,
21 ~~(1)~~ the Commodity Credit Corporation shall sell upland
22 cotton for unrestricted use at the same prices as it sells cotton
23 for export, in no event, however, at less than 110 per centum
24 of the loan rate, and ~~(2)~~ the Commodity Credit Corporation
25 shall sell or make available for unrestricted use at current

1 market prices in each marketing year a quantity of upland
2 cotton equal to the amount by which the production of up-
3 land cotton is less than the estimated requirements for domes-
4 tie use and for export for such marketing year. The Secre-
5 tary may make such estimates and adjustments therein at
6 such times as he determines will best effectuate the pro-
7 visions of part ~~(2)~~ of the foregoing sentence and such quan-
8 tities of cotton as are required to be sold under such sen-
9 tence shall be offered for sale in an orderly manner and so
10 as not to affect market prices unduly."

11 SEC. 405. The Agricultural Adjustment Act of 1938, as
12 amended, is amended by adding after section 344 the follow-
13 ing new section:

14 "SEC. 344a. ~~(a)~~ Notwithstanding any other provision of
15 law, the Secretary, if he determines that it will not impair
16 the effective operation of the program involved, ~~(1)~~ may
17 permit the owner and operator of any farm for which a
18 cotton acreage allotment is established to sell or lease all or
19 any part or the right to all or any part of such allotment
20 ~~(excluding that part of the allotment which the Secretary~~
21 ~~determines was apportioned to the farm from the national~~
22 ~~acreage reserve)~~ to any other owner or operator of a farm
23 for transfer to such farm; ~~(2)~~ may permit the owner of a
24 farm to transfer all or any part of such allotment to any other
25 farm owned by him: *Provided*, That the authority granted

1 under this section may be exercised for the calendar years
2 1966, 1967, 1968, and 1969; but all transfers hereunder
3 shall be for such period of years as the parties thereto may
4 agree.

5 “(b) Transfers under this section shall be subject to the
6 following conditions: (i) no allotment shall be transferred to
7 a farm in another State or to a person for use in another
8 State; (ii) farm allotments may be sold or leased for transfer
9 to farms in another county within the same State, provided
10 that farmers within the county of origin will have priority in
11 leasing or buying such acreage allotments for an initial pe-
12 riod of 45 days after an intent to sell or lease has been filed
13 with the County Agricultural Stabilization and Conservation
14 Committee of the seller's intent to sell at a stated price;
15 (iii) no transfer of an allotment from a farm subject to a
16 mortgage or other lien shall be permitted unless the transfer
17 is agreed to by the lienholder; (iv) no sale of a farm allot-
18 ment shall be permitted if any sale of cotton allotment to
19 the same farm has been made within the three immediately
20 preceding crop years; (v) the total cotton allotment for
21 any farm to which allotment is transferred by sale or lease
22 shall not exceed the farm acreage allotment (excluding re-
23 apportioned acreage) established for such farm for 1965 by
24 more than one hundred acres; (vi) no cotton in excess
25 of the remaining acreage allotment on the farm shall be

1 planted on any farm from which the allotment (or part of
2 an allotment) is sold for a period of five years following
3 such sale; nor shall any cotton in excess of the remaining
4 acreage allotment on the farm be planted on any farm from
5 which the allotment (or part of an allotment) is leased
6 during the period of such lease; and the producer on such
7 farm shall so agree as a condition precedent to the Secre-
8 tary's approval of any such sale or lease; and (vii) no trans-
9 fer of allotment shall be effective until a record thereof is
10 filed with the county committee of the county to which such
11 transfer is made and such committee determines that the
12 transfer complies with the provisions of this section.

13 “(c) The transfer of an allotment shall have the effect of
14 transferring also the acreage history, farm base, and mar-
15 keting quota attributable to such allotment and if the transfer
16 is made prior to the determination of the allotment for any
17 year the transfer shall include the right of the owner or
18 operator to have an allotment determined for the farm for
19 such year: *Provided*, That in the case of a transfer by lease,
20 the amount of the allotment shall be considered for purposes
21 of determining allotments after the expiration of the lease
22 to have been planted on the farm from which such allot-
23 ment is transferred.

24 “(d) The land in the farm from which the entire cotton
25 allotment and acreage history have been transferred shall not

1 be eligible for a new farm cotton allotment during the five
2 years following the year in which such transfer is made.

3 “(e) The transfer of a portion of a farm allotment which
4 was established under minimum farm allotment provisions for
5 cotton or which operates to bring the farm within the mini-
6 mum farm allotment provision for cotton shall cause the
7 minimum farm allotment or base to be reduced to an amount
8 equal to the allotment remaining on the farm after such
9 transfer.

10 “(f) The Secretary shall prescribe regulations for the
11 administration of this section, which shall include provisions
12 for adjusting the size of the allotment transferred if the farm
13 to which the allotment is transferred has a substantially
14 higher yield per acre and such other terms and conditions as
15 he deems necessary.

16 “(g) If the sale or lease occurs during a period in which
17 the farm is covered by a conservation reserve contract, crop-
18 land conversion agreement, or other similar land utilization
19 agreement, the rates of payment provided for in the contract
20 or agreement of the farm from which the transfer is made
21 shall be subject to an appropriate adjustment, but no adjust-
22 ment shall be made in the contract or agreement of the farm
23 to which the allotment is transferred.

24 “(h) The Secretary shall by regulations authorize the
25 exchange between farms in the same county, or between

1 farms in adjoining counties within a State, of cotton acreage
2 allotment for rice acreage allotment. Any such exchange
3 shall be made on the basis of application filed with the
4 county committee by the owners and operators of the farms;
5 and the transfer allotment between the farms shall include
6 transfer of the related acreage history for the commodity.
7 The exchange shall be acre for acre or on such other basis
8 as the Secretary determines is fair and reasonable, taking
9 into consideration the comparative productivity of the soil
10 for the farms involved and other relevant factors. No farm
11 from the which the entire cotton or rice allotment has been
12 transferred shall be eligible for an allotment of cotton or rice
13 as a new farm within a period of five crop years after the
14 date of such exchange.

15 “(i) The provisions of this section relating to cotton shall
16 apply only to upland cotton.”

17 SEC. 406. The Secretary may, to the extent he deems
18 it desirable, provide by appropriate regulations for surrender
19 of cotton allotment and acreage history applicable to acre-
20 age diverted from the production of cotton under the crop-
21 land adjustment program. No cotton in excess of the re-
22 maining acreage allotment on the farm shall be planted for
23 the five succeeding crop years on any farm which all or part
24 of the allotment has been surrendered. Any cotton allot-
25 ment or acreage history surrendered pursuant to the fore-

1 going authority shall be held in reserve in establishing
2 future national, State, county, and farm cotton acreage allot-
3 ments and bases. The Secretary is authorized to increase by
4 not more than 25 per centum the rate or rates of annual
5 payments to be made to producers under such program who
6 surrender cotton acreage and allotment history pursuant to
7 the authority of this section. In carrying out the provisions
8 of this section, the Secretary may use Commodity Credit
9 Corporation stocks and funds for effectuating payment to
10 producers.

11 TITLE V—WHEAT

12 SEC. 501. Effective beginning with the crop planted for
13 harvest in the calendar year 1966, the Agricultural Adjust-
14 ment Act of 1938, as amended, is amended as follows:

15 (1) Section 332 is amended by changing item (iv) in
16 subsection (b) to read: "will be utilized during such market-
17 ing year in the United States as livestock (including poul-
18 try) feed, excluding the estimated quantity of wheat which
19 will be utilized for such purpose as a result of the substitution
20 of wheat for feed grains under section 328 of the Food and
21 Agriculture Act of 1962" and by adding the following new
22 subsection:

23 "(d) Notwithstanding any other provision of this Act,
24 the Secretary shall not proclaim a national marketing quota
25 for the crops of wheat planted for harvest in the calendar

1 years 1966 through 1969, and farm marketing quotas shall
2 not be in effect for such crops of wheat."

3 ~~(2)~~ Section 333 is amended to read as follows: "The
4 Secretary shall proclaim a national acreage allotment for each
5 crop of wheat. The amount of the national acreage allot-
6 ment for any crop of wheat shall be the number of acres
7 which the Secretary determines on the basis of the projected
8 national yield and expected underplantings (acreage other
9 than that not harvested because of program incentives) of
10 farm acreage allotments will produce an amount of wheat
11 equal to the national marketing quota for wheat for the
12 marketing year for such crop, or if a national marketing
13 quota was not proclaimed, the quota which would have
14 been determined if one had been proclaimed. The Secretary
15 may, in his discretion, adjust such national acreage allotment
16 as he determines necessary to assure the maintenance of
17 adequate but not excessive stocks in the United States.

18 ~~(3)~~ Subsection ~~(a)~~ of section 334 is amended to read
19 as follows:

20 ~~"(a)~~ The national allotment for wheat, less a reserve of
21 not to exceed 1 per centum thereof for apportionment as
22 provided in this subsection and less the special acreage re-
23 serve provided for in this subsection, shall be apportioned by
24 the Secretary among the States on the basis of the preceding
25 year's allotment for each such State, including for 1966 the

1 increased acreage in the State allotted for 1965 under section
2 335, adjusted to the extent deemed necessary by the Secere-
3 tary to establish a fair and equitable apportionment base for
4 each State, taking into consideration established crop rota-
5 tion practices, estimated decrease in farm allotments because
6 of loss of history, and other relevant factors. The reserve
7 acreage set aside herein for apportionment by the Secretary
8 shall be used to make allotments to counties in addition to
9 the county allotments made under subsection (b) of this
10 section, on the basis of the relative needs of counties for addi-
11 tional allotments because of reclamation and other new areas
12 coming into production of wheat. There also shall be made
13 available a special acreage reserve of not in excess of one
14 million acres as determined by the Secretary to be desirable
15 for the purposes hereof which shall be in addition to the na-
16 tional acreage reserve provided for in this subsection. Such
17 special acreage reserve shall be made available to the States
18 to make additional allotments to counties on the basis of the
19 relative needs of counties, as determined by the Secretary,
20 for additional allotments to make adjustments in the allot-
21 ments on old wheat farms (that is, farms on which wheat has
22 been seeded or regarded as seeded to one or more of the
23 three crops immediately preceding the crop for which the
24 allotment is established) on which the ratio of wheat acreage
25 allotment to cropland on the farm is less than one-half the

1 average ratio of wheat acreage allotment to cropland on old
2 wheat farms in the county. Such adjustments shall not pro-
3 vide an allotment for any farm which would result in allot-
4 ment-cropland ratio for the farm in excess of one-half of such
5 county average ratio and the total of such adjustments in
6 any county shall not exceed the acreage made avail-
7 able therefor in the county. Such apportionment from the
8 special acreage reserve shall be made only to counties where
9 wheat is a major income-producing crop, only to farms on
10 which there is limited opportunity for the production of an
11 alternative income-producing crop, and only if an efficient
12 farming operation on the farm requires the allotment of addi-
13 tional acreage from the special acreage reserve. For the
14 purposes of making adjustments hereunder the cropland on
15 the farm shall not include any land developed as cropland
16 subsequent to the 1963 crop year."

17 ~~(4)~~ Subsection ~~(b)~~ of section 334 is amended to read
18 as follows:

19 ~~"(b)~~ The State acreage allotment for wheat, less a re-
20 serve of not to exceed 3 per centum thereof for apporportion-
21 ment as provided in subsection ~~(c)~~ of this section, shall be
22 apportioned by the Secretary among the counties in the
23 State, on the basis of the preceding year's wheat allotment
24 in each such county, including for 1966 the increased acre-

1 age in the county allotted for 1965 pursuant to section 335;
2 adjusted to the extent deemed necessary by the Secretary
3 in order to establish a fair and equitable apportionment base
4 for each county, taking into consideration established crop
5 rotation practices; estimated decrease in farm allotments
6 because of loss of history, and other relevant factors.”

7 ~~(5)~~ Subsection ~~(c)~~ of section 334 is amended by adding
8 new paragraphs ~~(3)~~ and ~~(4)~~ to read as follows:

9 “~~(3)~~ Notwithstanding the provisions of paragraph ~~(1)~~
10 of this subsection, the past acreage of wheat for 1966 and
11 any subsequent year shall be the acreage of wheat planted,
12 plus the acreage regarded as planted, for the harvest as grain
13 on the farm which is not in excess of the farm acreage
14 allotment.

15 “~~(4)~~ Notwithstanding any other provision of this sub-
16 section ~~(c)~~, the farm acreage allotment for the 1966 and
17 any subsequent crop of wheat shall be established for each
18 old farm by apportioning the county wheat acreage allot-
19 ment among farms in the county on which wheat has been
20 planted, or is considered to have been planted, for harvest
21 as grain in any one of the three years immediately preceding
22 the year for which allotments are determined on the basis
23 of past acreage of wheat and the farm acreage allotment
24 for the year immediately preceding the year for which the
25 allotment is being established adjusted as hereinafter pro-

1 vided. For purposes of this paragraph, the acreage allot-
2 ment for the immediately preceding year may be adjusted to
3 reflect established crop-rotation practices, may be adjusted
4 downward to reflect a reduction in the tillable acreage on
5 the farm and may be adjusted upward to reflect such other
6 factors as the Secretary determines should be considered
7 for the purpose of establishing a fair and equitable allotment:
8 *Provided*, That (i) for purposes of computing the 1966
9 allotment for any farm not in compliance with its 1964
10 farm acreage allotment, the 1965 acreage allotment shall
11 be reduced by 7 per centum; (ii) for the purposes of com-
12 puting the allotment for any year, the acreage allotment
13 for the farm for the immediately preceding year shall be
14 decreased by 7 per centum if for the year immediately pre-
15 ceding the year for which such reduction is made neither a
16 voluntary division program nor a certificate program was
17 in effect and there was noncompliance with the farm acreage
18 allotment for such year; (iii) for purposes of clause (ii),
19 any farm on which the entire amount of farm market-
20 ing excess is delivered to the Secretary, stored, or adjusted
21 to zero in accordance with applicable regulations to avoid
22 or postpone payment of the penalty when farm marketing
23 quotas are in effect, shall be considered in compliance with
24 the allotment, but if any part of the amount of wheat so
25 stored is later depleted and penalty becomes due by reason

1 of such depletion, the allotment for such farm next computed
 2 after determination of such depletion shall be reduced by
 3 reducing the allotment for the immediately preceding year
 4 by 7 per centum; and ~~(iv)~~ for purposes of clauses ~~(i)~~ and
 5 ~~(ii)~~ if the Secretary determines that the reduction in the
 6 allotment does not provide fair and equitable treatment to
 7 producers on farms following special crop-rotation practices,
 8 he may modify such reduction in the allotment as he deter-
 9 mines to be necessary to provide fair and equitable treatment
 10 to such producers."

11 ~~(6)~~ Subsection ~~(d)~~ of section 334 is repealed.

12 ~~(7)~~ Subsection ~~(g)~~ of section 334 is amended by
 13 striking out the language "except as prescribed in the
 14 provisos to the first sentence of subsections ~~(a)~~ and ~~(b)~~;
 15 respectively, of this section" in the first sentence.

16 ~~(8)~~ Section 335 is amended by adding at the end
 17 thereof the following: "This section shall not be applicable
 18 to the crops planted for harvest in 1966 and subsequent
 19 years."

20 ~~(9)~~ Section 339~~(b)~~ is amended ~~(1)~~ by striking out
 21 "1964 and 1965 crops of wheat" and substituting "crops of
 22 wheat planted for harvest in the calendar years 1964 through
 23 1969"; and ~~(2)~~ by striking out of the third sentence "20
 24 per centum of the farm acreage allotment" and "fifteen

1 acres" and substituting "50 per centum of the farm acreage
2 allotment" and "twenty-five acres", respectively.

3 ~~(10)~~ Section 339(c) is amended to read as follows:
4 "The Secretary may permit all or any part of the diverted
5 acreage to be devoted to the production of guar, sesame,
6 safflower, sunflower, castor beans, mustard seed, and flax,
7 if he determines that such production of the commodity is
8 needed to provide an adequate supply, is not likely to
9 increase the cost of the price-support program and will not
10 adversely affect farm income, subject to the condition that
11 payment with respect to diverted acreage devoted to any
12 such crop shall be at a rate determined by the Secretary to
13 be fair and reasonable taking into consideration the use of
14 such acreage for the production of such crops: *Provided*, That
15 in no event shall the payment exceed one-half the rate which
16 otherwise would be applicable if such acreage were devoted
17 to conservation uses."

18 ~~SEC. 502.~~ Effective only with respect to the crops of
19 wheat planted for harvest in the calendar years 1966 through
20 1969, and the marketing years for such crops, section 379b
21 is amended to read as follows:

22 ~~"SEC. 379b.~~ A wheat marketing allocation program as
23 provided in this subtitle shall be in effect for the marketing
24 years for the crops planted for harvest in the calendar years

1 1966 through 1969. Whenever a wheat marketing alloca-
2 tion program is in effect for any marketing year the Secre-
3 tary shall determine ~~(1)~~ the wheat marketing allocation for
4 such year which shall be ~~(i)~~ the amount of wheat he esti-
5 mates will be used during such year for food products for
6 consumption in the United States, but the amount of wheat
7 included in the marketing allocation for food products for con-
8 sumption in the United States shall not be less than five hun-
9 dred million bushels, and ~~(ii)~~ that portion of the amount of
10 wheat which he estimates will be exported in the form of
11 wheat or products thereof during the marketing year on
12 which the Secretary determines that marketing certificates
13 shall be issued to producers in order to achieve, insofar
14 as practicable, the price and income objectives of this
15 subtitle, and ~~(2)~~ the national allocation percentage for
16 such year which shall be the percentage which the
17 national marketing allocation is of the amount of the
18 national marketing quota for wheat that would be
19 determined for such marketing year if a national marketing
20 quota for such year had been proclaimed less the expected
21 production on the acreage allotments for farms which will
22 not be in compliance with the requirements of the program.
23 The cost of any domestic marketing certificates issued to
24 producers in excess of the number of certificates acquired by
25 processors as a result of the application of the five hundred

1 million bushel minimum or an overestimate of the amount
 2 of wheat used during such year for food products for con-
 3 sumption in the United States shall be borne by Commodity
 4 Credit Corporation. Each farm shall receive a wheat mar-
 5 keting allocation for such marketing year equal to the num-
 6 ber of bushels obtained by multiplying the number of acres
 7 in the farm acreage allotment for wheat by the projected
 8 farm yield, and multiplying the resulting number of bushels
 9 by the national allocation percentage.”

10 SEC. 503. Effective beginning with the 1970 crop, sec-
 11 tion 379b is amended by striking out “normal yield of wheat
 12 for the farm as determined by the Secretary” and substituting
 13 “projected farm yield”.

14 SEC. 504. (a) Effective upon enactment of this Act, sec-
 15 tion 379d(b) is amended by striking out the third sentence
 16 and substituting the following: “The Secretary may exempt
 17 from the requirements of this subsection wheat exported for
 18 donation abroad and other noncommercial exports of wheat,
 19 wheat processed for use on the farm where grown, wheat pro-
 20 duced by a State or agency thereof and processed for use by
 21 the State or agency thereof, wheat processed for donation, and
 22 wheat processed for uses determined by the Secretary to be
 23 noncommercial. Such exemptions may be made applicable
 24 with respect to any wheat processed or exported beginning
 25 July 1, 1964. There shall be exempt from the requirements

1 of this subsection beverage distilled from wheat prior to
2 July 1, 1964. A beverage distilled from wheat after July 1,
3 1964, shall be deemed to be removed for sale or consumption
4 at the time it is placed in barrels for aging except that upon
5 the giving of a bond as prescribed by the Secretary, the pur-
6 chase of and payment for such marketing certificates as may
7 be required may be deferred until such beverage is bottled for
8 sale. Wheat shipped to a Canadian port for storage in bond,
9 or storage under a similar arrangement, and subsequent ex-
10 portation, shall be deemed to have been exported for pur-
11 poses of this subsection when it is exported from the Ca-
12 nadian port."

13 (b) Section 379(d) is amended by inserting after the
14 word "flour" the following: "(excluding flour clears not used
15 for human consumption as determined by the Secretary)".

16 This subsection shall be effective on or after sixty days
17 following enactment of this Act, unless the Secretary shall
18 by regulation designate an earlier effective date within such
19 sixty-day period.

20 (c) Section 379d(b) is amended by adding at the end
21 thereof the following: "Whenever the face value per bushel
22 of domestic marketing certificates for a marketing year is
23 different from the face value of domestic marketing certifi-
24 cates for the preceding marketing year, the Secretary may
25 require marketing certificates issued for the preceding mar-

1 keting year to be acquired to cover all wheat processed into
2 food products during such preceding marketing year even
3 though the food product may be marketed or removed for
4 sale or consumption after the end of the marketing year.”

5 ~~(d)~~ Section 379g is amended by inserting “~~(a)~~” after
6 “SEC. 379g” and adding a new subsection ~~(b)~~ as follows:

7 “~~(b)~~ Whenever the face value per bushel of domestic
8 marketing certificates for a marketing year is substantially
9 different from the face value of domestic marketing certifi-
10 cates for the preceding marketing year, the Secretary is
11 authorized to take such action as he determines necessary to
12 facilitate the transition between marketing years. Notwith-
13 standing any other provision of this subtitle, such authority
14 shall include, but shall not be limited to, the authority to sell
15 certificates to persons engaged in the processing of wheat
16 into food products covering such quantities of wheat, at such
17 prices, and under such terms and conditions as the Secretary
18 may by regulation provide. Any such certificate shall be
19 issued by Commodity Credit Corporation.”

20 SEC. 505. The Agricultural Act of 1964 is amended as
21 follows:

22 ~~(1)~~ Amendment ~~(7)~~ of section 202 is amended by
23 striking out “1964 and 1965” and substituting “the calendar
24 years 1964 through 1969”.

25 ~~(2)~~ Amendment ~~(13)~~ of section 202 is amended by

1 striking out "only with respect to the crop planted for har-
2 vest in the calendar year 1965" and substituting "with re-
3 spect to the crops planted for harvest in the calendar years
4 1965 through 1969".

5 ~~(3)~~ Section 204 is amended by striking out "1964 and
6 1965" and substituting "1964 through 1969".

7 SEC. 506. Effective beginning with the 1966 crop, see-
8 tion 107 of the Agricultural Act of 1949, as amended, is
9 amended to read as follows:

10 "SEC. 107. Notwithstanding the provisions of section
11 101 of this Act, beginning with the 1966 crop—

12 "~~(1)~~ Whenever a wheat marketing allocation pro-
13 gram is in effect, ~~(a)~~ price support for wheat accom-
14 panied by domestic certificates shall be at 100 per
15 centum of the parity price or as near thereto as the Sec-
16 retary determines practicable, but in no event less than
17 \$2.50 per bushel, ~~(b)~~ price support for wheat accom-
18 panied by export certificates shall be at such level, not
19 in excess of the parity price therefor, as the Secretary
20 determines, and ~~(c)~~ price support for wheat not accom-
21 panied by marketing certificates shall be at such level,
22 not in excess of the parity price therefor, as the Secre-
23 tary determines appropriate, taking into consideration
24 competitive world prices of wheat, the feeding value of

1 wheat in relation to feed grains; and the level at which
2 price support is made available for feed grains.

3 “~~(2)~~ Whenever a wheat marketing allocation pro-
4 gram is not in effect, the level of price support for any
5 crop of wheat for which a national marketing quota is
6 not proclaimed or for which marketing quotas have been
7 disapproved by producers shall be as provided in section
8 101.

9 “~~(3)~~ Price support shall be made available only to
10 cooperators.

11 “~~(4)~~ A ‘cooperator’ with respect to any crop of
12 wheat produced on a farm shall be a producer who (i)
13 does not knowingly exceed ~~(A)~~ the farm acreage allot-
14 ment for wheat on the farm or ~~(B)~~ except as the Sec-
15 retary may by regulation prescribe, the farm acreage
16 allotment for wheat on any other farm on which the pro-
17 ducer shares in the production of wheat; and (ii) com-
18 plies with the land-use requirements of section 339 of
19 the Agricultural Adjustment Act of 1938, as amended;
20 to the extent prescribed by the Secretary. No producer
21 shall be deemed to have exceeded a farm acreage allot-
22 ment for wheat if the entire amount of the farm market-
23 ing excess is delivered to the Secretary or stored in ac-
24 cordance with applicable regulations to avoid or post-

1 pone payment of the penalty; but the producer shall not
 2 be eligible to receive price support on such marketing
 3 excess. No producer shall be deemed to have exceeded
 4 a farm acreage allotment for wheat if the production on
 5 the acreage in excess of the farm acreage allotment is
 6 stored pursuant to the provisions of section 379(b); but
 7 the producer shall not be eligible to receive price sup-
 8 port on the wheat so stored."

9 SEC. 507. Effective beginning with the crop planted for
 10 harvest in the calendar year 1966, section 339(a) of the
 11 Agricultural Adjustment Act of 1938, as amended, is
 12 amended by inserting after the words "national acreage allot-
 13 ment", wherever they appear, the following: "(less an
 14 acreage equal to the increased acreage allotted for 1965
 15 pursuant to section 335)".

16 SEC. 508. Effective beginning with crop planted for
 17 harvest in the calendar year 1966, section 379e(a) of the
 18 Agricultural Adjustment Act of 1938, as amended, is
 19 amended by amending the third sentence to read as follows:
 20 "The Secretary shall provide for the sharing of wheat
 21 marketing certificates among producers on the farm on a
 22 fair and equitable basis.", and by adding at the end thereof
 23 the following: "An acreage on the farm not planted to wheat
 24 because of drought, flood, or other natural disaster shall be

1 deemed to be an actual acreage of wheat planted for harvest
2 for purposes of this subsection.”

3 SEC. 509. Section 301(b) of the Agricultural Adjust-
4 ment Act of 1938, as amended, is amended as follows:

5 (1) Paragraph (8) is amended by inserting “(A)”
6 after “(8)” and adding the following new subparagraph:

7 “(B) ‘Projected national yield’ as applied to any crop
8 of wheat shall be determined on the basis of the national
9 yield per harvested acre of the commodity during each of
10 the five calendar years immediately preceding the year in
11 which such projected national yield is determined, adjusted
12 for abnormal weather conditions affecting such yield, for
13 trends in yields and for any significant changes in produc-
14 tion practices.”

15 (2) Paragraph (13) is amended by adding the follow-
16 ing new subparagraphs:

17 “(J) ‘Projected county yield’ for any crop of wheat
18 shall be determined on the basis of the yield per harvested
19 acre of such crop in the county during each of the five cal-
20 endar years immediately preceding the year in which such
21 projected county yield is determined, adjusted for abnormal
22 weather conditions affecting such yield, for trends in yields
23 and for any significant changes in production practices.

24 “(K) ‘Projected farm yield’ for any crop of wheat shall

1 be determined on the basis of the yield per harvested acre of
2 such crop, on the farm during each of the three calendar
3 years immediately preceding the year in which such pro-
4 jected farm yield is determined, adjusted for abnormal
5 weather conditions affecting such yield, for trends in yields
6 and for any significant changes in production practices, but
7 in no event shall such projected farm yield be less than the
8 normal yield for such farm as provided in subparagraph (E)
9 of this paragraph.”

10 SEC. 510. (a) Section 379e(b) of the Agricultural Ad-
11 justment Act of 1938, as amended, is amended, effective
12 beginning with the 1966 crop, by striking out of the fifth
13 sentence the words “normal yield of wheat per acre estab-
14 lished for the farm” and substituting therefor the words
15 “projected farm yield”.

16 (b) Section 379i of the Agricultural Adjustment Act of
17 1938, as amended, is amended, effective as of the effective
18 date of the original enactment of the section, by inserting in
19 subsections (a) and (b) after the word “who”, wherever it
20 appears, the word “knowingly”.

21 SEC. 511. (a) Effective beginning with the crop planted
22 for harvest in 1966, paragraph (9) of section 301(b) of the
23 Agricultural Adjustment Act of 1938, as amended, is
24 amended to read as follows:

25 “(9) ‘Normal production’ as applied to any number of

1 acres of rice or cotton means the normal yield for the farm
 2 times such number of acres and for wheat means the pro-
 3 jected farm yield times such number of acres.”

4 (b) Public Law 74, Seventy-seventh Congress, as
 5 amended, is amended by changing the words “normal yield
 6 of wheat per acre established for the farm” in paragraph (1)
 7 to the words “projected farm yield”.

8 SEC. 512. In establishing terms and conditions for per-
 9 mitting wheat to be planted in lieu of oats and rye, the
 10 Secretary may take into account the number of feed units
 11 per acre of wheat in relation to the number of feed units
 12 per acre of oats and rye.

13 SEC. 513. Section 379e of the Agricultural Adjustment
 14 Act of 1938, as amended, is amended, effective beginning
 15 with the crop planted for harvest in the calendar year 1964,
 16 by adding the following subsection:

17 “(c) Notwithstanding any other provision of law, the
 18 amount of certificates issued with respect to any farm may be
 19 adjusted by the Secretary for failure of a producer to comply
 20 fully with the terms and conditions of the program formu-
 21 lated under this subtitle.”

22 SEC. 514. Section 379e of the Agricultural Adjustment
 23 Act of 1938, as amended, is amended by adding at the end
 24 thereof the following:

25 “Notwithstanding any other provision of this Act, Com-

1 commodity Credit Corporation shall sell marketing certificates
2 for the marketing years for the 1966 through the 1969
3 wheat crops to persons engaged in the processing of food
4 products at the face value thereof less any amount by which
5 price support for wheat accompanied by domestic certificates
6 exceeds \$2 per bushel."

7 TITLE VI—CROPLAND ADJUSTMENT

8 SEC. 601. The Soil Bank Act of 1956, as amended,
9 is hereby repealed, except that it shall remain in effect with
10 respect to contracts entered into prior to such repeal.

11 SEC. 602. (a) Notwithstanding any other provision of
12 law, for the purpose of reducing the costs of farm programs,
13 assisting farmers in turning their land to nonagricultural uses,
14 promoting the development and conservation of the Nation's
15 soil, water, forest, wildlife, and recreational resources, estab-
16 lishing, protecting, and conserving open spaces and natural
17 beauty, the Secretary of Agriculture is authorized to for-
18 mulate and carry out a program during the calendar years
19 1965 through 1969 under which agreements would be en-
20 tered into with producers as hereinafter provided for periods
21 of not less than five nor more than ten years. No agreement
22 shall be entered into under this section concerning land with
23 respect to which the ownership has changed in the five-year
24 period preceding the first year of the agreement period unless
25 the new ownership was acquired by will or succession as a

1 result of the death of the previous owner: *Provided*, That
2 this provision shall not be construed to prohibit the continua-
3 tion of an agreement by a new owner after an agreement has
4 once been entered into under this section.

5 (b) The producer shall agree ~~(1)~~ to divert from pro-
6 duction all of one or more crops designated by the Secretary;
7 ~~[(2)]~~ to carry out on a specifically designated acreage of land
8 on the farm regularly used in the production of crops (here-
9 inafter called "designated acreage") and maintain for the
10 agreement period practices or uses which will conserve soil,
11 water, or forest resources; or establish or protect or conserve
12 open spaces, natural beauty, wildlife or recreational re-
13 sources; or prevent air or water pollution, in such manner as
14 the Secretary may prescribe; ~~(3)~~ to maintain in conserving
15 crops or uses or allow to remain idle throughout the agree-
16 ment period the acreage normally devoted to such crops or
17 uses; ~~(4)~~ not to harvest any crop from or graze the des-
18 ignated acreage during the agreement period, unless the Sec-
19 retary, after certification by the Governor of the State in
20 which such acreage is situated of the need for grazing or
21 harvesting of such acreage, determines that it is necessary
22 to permit grazing or harvesting in order to alleviate damage,
23 hardship, or suffering caused by severe drought, flood, or
24 other natural disaster, and consents to such grazing or har-

1 vesting subject to an appropriate reduction in the rate of
2 payment; and ~~(5)~~ to such additional terms and conditions
3 as the Secretary determines are desirable to effectuate the
4 purposes of the program; including such measures as the
5 Secretary may deem appropriate to keep the designated
6 acreage free from erosion, insects, weeds, and rodents.

7 ~~(c)~~ Under such agreements the Secretary shall ~~(1)~~
8 bear such part of the average cost ~~(including labor)~~ for the
9 county or area in which the farm is situated of establishing
10 and maintaining authorized practices or uses on the desig-
11 nated acreage as the Secretary determines to be necessary
12 to effectuate the purposes of the program; but not to exceed
13 the average rate for comparable practices or uses under the
14 agricultural conservation program; and ~~(2)~~ make an annual
15 adjustment payment to the producer for the period of the
16 agreement at such rate or rates as the Secretary determines
17 to be fair and reasonable in consideration of the obligations
18 undertaken by the producers. The rate or rates of annual
19 adjustment payments as determined hereunder shall be in-
20 creased by an amount determined by the Secretary to be
21 appropriate in relation to the benefit to the general public
22 of the use of the designated acreage if the producer further
23 agrees to permit, without other compensation, access to such
24 acreage by the general public, during the agreement period;
25 for hunting, trapping, fishing, and hiking; subject to appli-

1 cable State and Federal regulations. The Secretary may
2 make the annual adjustment payments for all years of the
3 agreement period upon approval of the agreement or in such
4 installments as he determines to be desirable: *Provided*, That
5 for each year any annual adjustment payment is made in
6 advance of performance, the annual adjustment payment
7 shall be reduced by 5 per centum. The Secretary may pro-
8 vide for adjusting any payment on account of failure to
9 comply with the terms and conditions of the program.

10 (d) The Secretary shall, unless he determines that such
11 action will be inconsistent with the effective administration
12 of the program, use an advertising and bid procedure in de-
13 termining the lands in any area to be covered by agreements.
14 The total acreage placed under agreement in any county
15 shall be limited to a percentage of the total eligible acreage
16 in such county which the Secretary determines would not
17 adversely affect the economy of the county.

18 (e) The annual adjustment payment shall not exceed
19 50 per centum of the estimated value, as determined by the
20 Secretary, on the basis of prices in effect at the time the
21 agreement is entered into, of the crops or types of crops
22 which might otherwise be grown. The estimated value may
23 be established by the Secretary on a county, area, or in-
24 dividual farm basis as he deems appropriate.

25 (f) The Secretary may terminate any agreement with

1 a producer by mutual agreement with the producer if the
2 Secretary determines that such termination would be in the
3 public interest, and may agree to such modification of agree-
4 ments as he may determine to be desirable to carry out the
5 purposes of the program or facilitate its administration.

6 (g) The Secretary may, to the extent he deems it de-
7 sirable, provide by appropriate regulations for preservation
8 of cropland, crop acreage, and allotment history applicable
9 to acreage diverted from the production of crops under the
10 program for the purpose of any Federal program under
11 which such history is used as a basis for an allotment or
12 other limitation or for participation in such program.

13 (h) In carrying out the program, the Secretary shall
14 utilize the services of local, county, and State committees
15 established under section 8 of the Soil Conservation and
16 Domestic Allotment Act, as amended.

17 (i) For the purpose of obtaining an increase in the
18 permanent retirement of cropland to noncrop uses the Sec-
19 retary may, notwithstanding any other provision of law,
20 transfer funds appropriated for carrying out the program
21 to any other Federal agency or to States or local govern-
22 ment agencies for use in acquiring cropland for the preser-
23 vation of open spaces, natural beauty, the development of
24 wildlife or recreational facilities, or the prevention of air or
25 water pollution under terms and conditions consistent with

1 and at costs not greater than those under agreements entered
2 into with producers, provided the Secretary determines that
3 the purposes of the program will be accomplished by such
4 action.

5 ~~(j)~~ The Secretary also is authorized to share the cost
6 with State and local governmental agencies in the estab-
7 lishment of practices or uses which will establish, protect, and
8 conserve open spaces, natural beauty, wildlife or recreational
9 resources, or prevent air or water pollution under terms and
10 conditions and at costs consistent with those under agree-
11 ments entered into with producers, provided the Secretary
12 determines that the purposes of the program will be accom-
13 plished by such action.

14 ~~(k)~~ The Secretary is authorized to utilize the facilities,
15 services, authorities, and funds of the Commodity Credit
16 Corporation in discharging his functions and responsibilities
17 under this program, including payment of costs of adminis-
18 tration. There are hereby authorized to be appropriated
19 such sums as may be necessary to carry out the program,
20 including such amounts as may be required to make pay-
21 ments to the Corporation for its actual costs incurred or
22 to be incurred under this program.

23 ~~(l)~~ In case any producer who is entitled to any pay-
24 ment or compensation dies, becomes incompetent, or dis-
25 appears before receiving such payment or compensation, or

1 is succeeded by another who renders or completes the re-
2 quired performance, the payment or compensation shall,
3 without regard to any other provisions of law, be made as
4 the Secretary may determine to be fair and reasonable in
5 all the circumstances and so provide by regulations.

6 ~~(m)~~ The Secretary shall provide adequate safeguards
7 to protect the interests of tenants and sharecroppers, includ-
8 ing provision of sharing, on a fair and equitable basis, in pay-
9 ments or compensation under this program.

10 ~~(n)~~ The Secretary shall prescribe such regulations as
11 he determines necessary to carry out the provisions of this
12 title.

13 TITLE VII—MISCELLANEOUS

14 SEC. 701. Section 374(a) of the Agricultural Adjust-
15 ment Act of 1938, as amended, is amended to read as
16 follows:

17 ~~“(a)~~ The Secretary shall provide for ascertaining, by
18 measurement the acreage of peanuts and tobacco and by
19 measurement or otherwise, the acreage of wheat, cotton,
20 rice, or any other agricultural commodity or land use on
21 farms for which the ascertainment of such acreage is neces-
22 sary to determine compliance under any program adminis-
23 tered by the Secretary. Insofar as practicable, the acreage
24 of the commodity and land use shall be ascertained prior to
25 harvest, and, if any acreage so ascertained is not in com-

1 pliance with the requirements of the program, the Secretary,
2 under such terms and conditions as he prescribes, may pro-
3 vide a reasonable time for the adjustment of the acreage of
4 the commodity or land use to the requirements of the
5 program.”

6 SEC. 702. Section 374(e) of the Agricultural Adjust-
7 ment Act of 1938, as amended, is amended by deleting the
8 first sentence thereof.

9 SEC. 703. Subsection (a) of section 316 of the Agri-
10 cultural Adjustment Act of 1938, as amended, is amended
11 (i) by striking out of the first sentence thereof “1962, 1963,
12 1964, and 1965,” and inserting “1962 through 1969” and
13 (ii) by striking out of the last sentence thereof “1964 or
14 1965” and inserting “a 1964 through 1969”.

15 SEC. 704. The Act of August 13, 1957 (Public Law
16 85-127), as amended, is amended by striking out the last
17 sentence thereof.

18 SEC. 705. The Secretary of Agriculture in coop-
19 eration with the House Committee on Agriculture and the
20 Senate Committee on Agriculture and Forestry shall make
21 a study of the parity income position of farmers and report
22 thereon to the Congress not later than June 30, 1966. The
23 report shall include a recommended formula for determining
24 parity income.

1 SEC. 706. Notwithstanding any other provision of law,
2 the Secretary, upon the request of any agency of any State
3 charged with the administration of the public lands of the
4 State, may permit the transfer of acreage allotments or feed
5 grain bases together with relevant production histories which
6 have been determined pursuant to the Agricultural Adjust-
7 ment Act of 1938, as amended, or section 16 of the Soil
8 Conservation and Domestic Allotment Act, as amended,
9 from any farm composed of public lands to any other farm
10 or farms in the same county composed of public lands: *Pro-*
11 *vided,* That as a condition for the transfer of any allotment
12 or base an acreage equal to or greater than the allotment or
13 base transferred prior to adjustment, if any, shall be devoted
14 to and maintained in permanent vegetative cover on the
15 farm from which the transfer is made. The Secretary shall
16 prescribe regulations which he deems necessary for the
17 administration of this section, which may provide for adjust-
18 ing downward the size of the allotment or base transferred
19 if the farm to which the allotment or base is transferred
20 normally has a higher yield per acre for the commodity for
21 which the allotment or base is determined, for reasonable
22 limitations on the size of the resulting allotments and bases
23 on farms to which transfers are made, taking into account
24 the size of the allotments and bases on farms of similar size
25 in the community, and for retransferring allotments or bases

1 and relevant histories if the conditions of the transfer are
2 not fulfilled.

3 That this Act may be cited as the "Food and Agriculture
4 Act of 1965".

5 TITLE I—WHEAT

6 SEC. 101. *Effective beginning with the crop planted for*
7 *harvest in the calendar year 1966, the Agricultural Adjust-*
8 *ment Act of 1938, as amended, is amended as follows:*

9 (1) *Section 332 is amended by changing item (iv) in*
10 *subsection (b) to read: "will be utilized during such mar-*
11 *keting year in the United States as livestock (including poul-*
12 *try) feed, excluding estimated quantity of wheat which will*
13 *be utilized for such purposes as a result of the substitution*
14 *of wheat for feed grains under section 328 of the Food and*
15 *Agriculture Act of 1962" and by adding the following new*
16 *subsection:*

17 "(d) *Notwithstanding any other provision of this Act,*
18 *the Secretary shall not proclaim a national marketing quota*
19 *for the crops of wheat planted for harvest in the calendar*
20 *years 1966 through 1969, and farm marketing quotas shall*
21 *not be in effect for such crops of wheat."*

22 (2) *Section 333 is amended to read as follows: "The*
23 *Secretary shall proclaim a national acreage allotment for*
24 *each crop of wheat. The amount of the national acreage*
25 *allotment for any crop of wheat shall be the number of acres*

1 *which the Secretary determines on the basis of the projected*
2 *national yield and expected underplantings (acreage other*
3 *than that not harvested because of program incentives) of*
4 *farm acreage allotments will produce an amount of wheat*
5 *equal to the national marketing quota for wheat for the*
6 *marketing year for such crop or, if a national marketing*
7 *quota was not proclaimed, the quota which would have been*
8 *determined if one had been proclaimed."*

9 (3) Subsection (a) of section 334 is amended to read
10 *as follows:*

11 “(a) The national allotment for wheat, less a reserve
12 *of not to exceed one per centum thereof for apportionment*
13 *as provided in this subsection and less the special acreage*
14 *reserve provided for in this subsection, shall be apportioned*
15 *by the Secretary among the States on the basis of the pre-*
16 *ceding year's allotment for each such State, including all*
17 *amounts allotted to the State and including for 1966 the in-*
18 *creased acreage in the State allotted for 1965 under section*
19 *335, adjusted to the extent deemed necessary by the Secre-*
20 *tary to establish a fair and equitable apportionment base for*
21 *each State, taking into consideration established crop-rotation*
22 *practices, estimated decrease in farm allotments because of*
23 *loss of history, and other relevant factors. The reserve acre-*
24 *age set aside herein for apportionment by the Secretary shall*
25 *be used to make allotments to counties in addition to the*

1 county allotments made under subsection (b) of this section,
2 on the basis of the relative needs of counties for additional
3 allotments because of reclamation and other new areas com-
4 ing into production of wheat. There also shall be made avail-
5 able a special acreage reserve of not in excess of one million
6 acres as determined by the Secretary to be desirable for the
7 purposes hereof which shall be in addition to the national
8 acreage reserve provided for in this subsection. Such special
9 acreage reserve shall be made available to the States to make
10 additional allotments to counties on the basis of the relative
11 needs of counties, as determined by the Secretary, for addi-
12 tional allotments to make adjustments in the allotments on
13 old wheat farms (that is, farms on which wheat has been
14 seeded or regarded as seeded to one or more of the three crops
15 immediately preceding the crop for which the allotment is
16 established) on which the ratio of wheat acreage allotment
17 to cropland on the farm is less than one-half the average
18 ratio of wheat acreage allotment to cropland on old wheat
19 farms in the county. Such adjustments shall not provide an
20 allotment for any farm which would result in an allotment-
21 cropland ratio for the farm in excess of one-half of such
22 county average ratio and the total of such adjustments in any
23 county shall not exceed the acreage made available therefor
24 in the county. Such apportionment from the special acreage
25 reserve shall be made only to counties where wheat is a

1 major income-producing crop, only to farms on which there
2 is limited opportunity for the production of an alternative
3 income-producing crop, and only if an efficient farming op-
4 eration on the farm requires the allotment of additional acre-
5 age from the special acreage reserve. For the purposes of
6 making adjustments hereunder the cropland on the farm
7 shall not include any land developed as cropland subsequent
8 to the 1963 crop year.”

9 (4) Subsection (b) of section 334 is amended to read
10 as follows:

11 “(b) The State acreage allotment for wheat, less a
12 reserve of not to exceed 3 per centum thereof for apportion-
13 ment as provided in subsection (c) of this section, shall be
14 apportioned by the Secretary among the counties in the
15 State, on the basis of the preceding year’s wheat allotment
16 in each such county, including for 1966 the increased
17 acreage in the county allotted for 1965 pursuant to section
18 335, adjusted to the extent deemed necessary by the Secre-
19 tary in order to establish a fair and equitable apportionment
20 base for each county, taking into consideration established
21 crop-rotation practices, estimated decrease in farm allotments
22 because of loss of history, and other relevant factors.”

23 (5) Subsection (c) of section 334 is amended by add-
24 ing new paragraphs (3) and (4) to read as follows:

25 “(3) Notwithstanding the provisions of paragraph (1)

1 of this subsection, the past acreage of wheat for 1966 and
2 any subsequent year shall be the acreage of wheat planted,
3 plus the acreage regarded as planted, for harvest as grain
4 on the farm which is not in excess of the farm acreage allot-
5 ment.

6 “(4) Notwithstanding any other provision of this sub-
7 section (c), the farm acreage allotment for the 1966 and any
8 subsequent crop of wheat shall be established for each old
9 farm by apportioning the county wheat acreage allotment
10 among farms in the county on which wheat has been planted,
11 or is considered to have been planted, for harvest as grain
12 in any one of the three years immediately preceding the
13 year for which allotments are determined on the basis of
14 past acreage of wheat and the farm acreage allotment for
15 the year immediately preceding the year for which the
16 allotment is being established, adjusted as hereinafter pro-
17 vided. For purposes of this paragraph, the acreage allot-
18 ment for the immediately preceding year may be adjusted to
19 reflect established crop-rotation practices, may be adjusted
20 downward to reflect a reduction in the tillable acreage on the
21 farm, and may be adjusted to reflect such other factors as the
22 Secretary determines should be considered for the purpose
23 of establishing a fair and equitable allotment: Provided, That
24 (i) for purposes of computing the 1966 allotment for
25 any farm not in compliance with its 1964 farm acreage allot-

1 ment, the 1965 acreage allotment shall be reduced by 7
2 per centum; (ii) for the purposes of computing the allot-
3 ment for any year, the acreage allotment for the farm for the
4 immediately preceding year shall be decreased by 7 per
5 centum if for the year immediately preceding the year for
6 which such reduction is made neither a voluntary diversion
7 program nor a voluntary certificate program was in effect
8 and there was noncompliance with the farm acreage allot-
9 ment for such year; and (iii) for purposes of clause (ii),
10 any farm on which the entire amount of farm marketing
11 excess is delivered to the Secretary, stored, or adjusted to
12 zero in accordance with applicable regulations to avoid or
13 postpone payment of the penalty when farm marketing
14 quotas are in effect, shall be considered in compliance with
15 the allotment, but if any part of the amount of wheat so
16 stored is later depleted and penalty becomes due by reason
17 of such depletion, the allotment for such farm next computed
18 after determination of such depletion shall be reduced by
19 reducing the allotment for the immediately preceding year
20 by 7 per centum."

21 (6) Subsection (d) of section 334 is repealed.

22 (7) Subsection (g) of section 334 is amended by strik-
23 ing out the language "except as prescribed in the provisos
24 to the first sentence of subsections (a) and (b), respec-
25 tively, of this section" in the first sentence.

1 (8) Section 335 is amended by adding at the end
2 thereof the following: "This section shall not be applicable
3 to the crops planted for harvest in 1966 and subsequent
4 years."

5 (9) Section 339(b) is amended (1) by striking out
6 "1964 and 1965 crops of wheat" and substituting "crops of
7 wheat planted for harvest in the calendar years 1964 through
8 1969", (2) by striking out "not accompanied by marketing
9 certificates", and substituting "under section 107(1) of the
10 Agricultural Act of 1949", and (3) by striking out of the
11 third sentence "20 per centum of the farm acreage allot-
12 ment" and "fifteen acres" and substituting "50 per centum
13 of the farm acreage allotment" and "twenty-five acres",
14 respectively.

15 (10) Section 339(e) is amended to read as follows:
16 "The Secretary may permit all or any part of the diverted
17 acreage to be devoted to the production of guar, sesame,
18 safflower, sunflower, castor beans, mustard seed, crambe,
19 and flax, if he determines that such production of the com-
20 modity is needed to provide an adequate supply, is not likely
21 to increase the cost of the price support program, and will not
22 adversely affect farm income, subject to the condition that
23 payment with respect to diverted acreage devoted to any
24 such crop shall be at a rate determined by the Secretary to
25 be fair and reasonable taking into consideration the use of

1 such acreage for the production of such crops: Provided,
2 That in no event shall the payment exceed one-half the rate
3 which otherwise would be applicable if such acreage were
4 devoted to conservation uses.”

5 SEC. 102. Effective only with respect to the crops of
6 wheat planted for harvest in the calendar years 1966 through
7 1969, and the marketing years for such crops, section 379b
8 is amended to read as follows:

9 “SEC. 379b. A wheat marketing allocation program as
10 provided in this subtitle shall be in effect for the marketing
11 years for the crops planted for harvest in the calendar years
12 1966 through 1969.

13 SEC. 103. (a) Effective upon the enactment of this Act,
14 section 379d(b) is amended by striking out the third sen-
15 tence and substituting the following: “The Secretary may
16 exempt from the requirements of this subsection wheat ex-
17 ported for donation abroad and other noncommercial exports
18 of wheat, wheat processed for use on the farm where grown,
19 wheat produced by a State or agency thereof and processed
20 for use by the State or agency thereof, wheat processed for
21 donation, and wheat processed for uses determined by the
22 Secretary to be noncommercial. Such exemptions may be
23 made applicable with respect to any wheat processed or
24 exported beginning July 1, 1964. There shall be exempt
25 from the requirements of this subsection beverage distilled

1 from wheat prior to July 1, 1964. A beverage distilled from
2 wheat after July 1, 1964, shall be deemed to be removed
3 for sale or consumption at the time it is placed in barrels for
4 aging, except that upon the giving of a bond as prescribed by
5 the Secretary, the purchase of and payment for such market-
6 ing certificates as may be required may be deferred until such
7 beverage is bottled for sale. Wheat shipped to a Canadian
8 port for storage in bond, or storage under a similar arrange-
9 ment, and subsequent exportation, shall be deemed to have
10 been exported for purposes of this subsection when it is
11 exported from the Canadian port."

12 (b) Those provisions of section 379d(b) of the Agri-
13 cultural Adjustment Act of 1938 which relate to export
14 marketing certificates and section 379c of such Act (relating
15 to the issuance of marketing certificates to producers) shall
16 not be applicable during the marketing years beginning in
17 the calendar years 1966 through 1969. During those mar-
18 keting years the requirements of such section 379d(b) may be
19 suspended for any marketing year or other period by the
20 Secretary in whole or in part to such extent as he deems
21 appropriate, if he determines that such suspension will result
22 in the more effective regulation of commerce and the better
23 effectuation of this Act.

24 (c) Section 379d(b) is amended by adding at the end

1 thereof the following: "Whenever the face value per bushel
2 of domestic marketing certificates for a marketing year is
3 different from the face value of domestic marketing certifi-
4 cates for the preceding marketing year, the Secretary may
5 require marketing certificates issued for the preceding mar-
6 keting year to be acquired to cover all wheat processed into
7 food products during such preceding marketing year even
8 though the food product may be marketed or removed for
9 sale or consumption after the end of the marketing year."

10 (d) Section 379g is amended by inserting "(a)" after
11 "SEC. 379g" and adding a new subsection (b) as follows:

12 "(b) Whenever the face value per bushel of domestic
13 marketing certificates for a marketing year is substantially
14 different from the face value of domestic marketing certifi-
15 cates for the preceding marketing year, the Secretary is
16 authorized to take such action as he determines necessary to
17 facilitate the transition between marketing years. Notwith-
18 standing any other provision of this subtitle, such authority
19 shall include, but shall not be limited to, the authority to sell
20 certificates to persons engaged in the processing of wheat
21 into food products covering such quantities of wheat, at such
22 prices, and under such terms and conditions as the Secretary
23 may by regulation provide. Any such certificate shall be
24 issued by Commodity Credit Corporation."

25 (e) Section 379d(d) is amended by inserting after the

1 word "flour" the following: "(excluding flour second clears
2 not used for human consumption as determined by the Sec-
3 retary)".

4 This subsection shall be effective as to food products
5 sold, or removed for sale or consumption on or after sixty
6 days following enactment of this Act, unless the Secretary
7 shall by regulation designate an earlier effective date within
8 such sixty-day period.

9 (f) Effective only with respect to the crops of wheat
10 planted for harvest in the calendar years 1966 through
11 1969, and the marketing years for such crops, section 379e
12 of such Act is amended to read as follows:

13 "SEC. 379e. The Commodity Credit Corporation is
14 authorized to issue, buy and sell marketing certificates at
15 their face value. The face value per bushel of marketing
16 certificates for each marketing year shall be the amount
17 by which the support level determined under section 107(1)
18 of the Agricultural Act of 1949 for such marketing year
19 is below \$2.00; except that if the Secretary determines
20 that the average price of bread in the United States has
21 increased following enactment of the Food and Agricul-
22 ture Act of 1965 and prior to the beginning of such mar-
23 keting year, the Secretary may increase such face value
24 to an amount not exceeding the amount by which such

1 support level is below 100 per centum of the parity price
 2 of wheat as of the date such support level is determined.
 3 The exception contained in the preceding sentence shall not
 4 be applicable to the marketing year for the 1966 crop.”

5 SEC. 104. Effective only with respect to the 1966 through
 6 1969 crops, section 107 of the Agricultural Act of 1949, as
 7 amended (7 U.S.C. 1445a), is amended to read as follows:

8 “SEC. 107. Notwithstanding the provisions of section
 9 101 of this Act, for any marketing year—

10 “(1) price support for wheat shall be made avail-
 11 able through loans, purchases, and other operations
 12 (not including payments) at a level equal to the higher
 13 of (i) the United States farm price equivalent, as deter-
 14 mined by the Secretary, of the average world market
 15 price for wheat during the immediately preceding three
 16 marketing years, or (ii) 50 per centum of the parity
 17 price therefor,

18 “(2) additional price support for wheat shall be
 19 made available through payments in such amount as
 20 (i) will bring the total amount of price support made
 21 available under this section up to a level not in excess
 22 of 100 per centum of the parity price for wheat and
 23 not less than \$1.90 per bushel, and (ii) the Secretary
 24 determines to be appropriate, taking into consideration
 25 the factors specified in section 401(b) and any increases

1 *in the prices of bread and wheat products so that pro-*
2 *ducers may receive an appropriate share of any increased*
3 *returns from wheat products. Such additional support*
4 *shall be provided on the projected yield of that part*
5 *of the farm acreage allotment which is either planted for*
6 *harvest or diverted to conserving uses in accordance with*
7 *regulations prescribed by the Secretary, or, in the non-*
8 *commercial area, on such other basis as the Secretary*
9 *shall determine to be equitable; and shall be shared by*
10 *the producers on the farm on the basis of their respective*
11 *shares in the wheat crop produced on the farm, or the*
12 *proceeds therefrom. For purposes of payments under*
13 *this paragraph, producers on any farm who have planted*
14 *not less than 90 per centum of that part of the farm*
15 *acreage allotment not diverted to conserving uses in ac-*
16 *cordance with regulations prescribed by the Secretary*
17 *shall be deemed to have so planted or diverted the entire*
18 *acreage allotment. An acreage on the farm not planted*
19 *to wheat because of drought, flood, or other natural*
20 *disaster shall be deemed to be an actual acreage of wheat*
21 *planted for harvest for purposes of this paragraph.*

22 “(3) price support shall be made available only to
23 cooperators; and if a commercial wheat-producing area
24 is established for such crop, price support shall be made

1 available under paragraph (1) only in the commercial
2 wheat-producing area, and

3 “(4) a ‘cooperator’ with respect to any crop of
4 wheat produced on a farm shall be a producer who (i)
5 does not knowingly exceed (A) the farm acreage allot-
6 ment for wheat on the farm or (B) except as the Sec-
7 retary may by regulation prescribe, the farm acreage
8 allotment for wheat on any other farm on which the
9 producer shares in the production of wheat, and (ii)
10 complies with the land-use requirements of section 339
11 of the Agricultural Adjustment Act of 1938, as
12 amended, to the extent prescribed by the Secretary.
13 For purposes of this section, a producer shall be deemed
14 not to have exceeded the farm acreage allotment for
15 wheat if the acreage in excess of the farm acreage
16 allotment does not exceed 50 per centum of the farm
17 acreage allotment and the amount of wheat produced on
18 the acreage in excess of the farm acreage allotment is
19 stored in accordance with regulations issued by the
20 Secretary. The amount of wheat required to be stored
21 hereunder shall be an amount equal to twice the projected
22 farm yield multiplied by the number of acres of such
23 crop of wheat on the farm in excess of the farm acreage
24 allotment for such crop unless the producer, in accord-
25 ance with regulations prescribed by the Secretary and

1 *within the time prescribed therein, establishes to the*
2 *satisfaction of the Secretary the actual production of*
3 *such crop of wheat on the farm. If such actual pro-*
4 *duction is so established, the amount of wheat required*
5 *to be stored shall be such actual production less the*
6 *actual production of the farm wheat acreage allotment*
7 *based upon the average yield per acre for the entire*
8 *wheat acreage on the farm; Provided however, That*
9 *the amount of wheat required to be stored shall not be*
10 *larger than the amount by which the actual production*
11 *so established exceeds the projected farm yield multiplied*
12 *by the farm wheat acreage allotment. At the time and*
13 *to the extent of any depletion in the amount of wheat so*
14 *stored, except depletion resulting from the release of*
15 *wheat from storage on account of underplanting or*
16 *underproduction, as provided below or depletion result-*
17 *ing from some cause beyond the control of the producer,*
18 *the producer shall pay an amount to the Secretary equal*
19 *to one and one-half times the wheat price support pay-*
20 *ments made with respect to the farm for the year in*
21 *which the wheat on the acreage in excess of the allotment*
22 *was produced. Whenever the planted acreage of the*
23 *then current crop of wheat on the farm is less than the*
24 *farm acreage allotment, the total amount of wheat from*
25 *any previous crops stored hereunder shall be reduced by*

1 that amount which is equal to the projected farm yield
2 multiplied by the number of acres by which the farm
3 acreage allotment exceeds the planted acreage, and when-
4 ever the actual production of the acreage of wheat is
5 less than the projected farm yield multiplied by the farm
6 acreage allotment, the total amount of wheat from any
7 previous crops stored hereunder shall be reduced by that
8 amount which together with the actual production of the
9 then current crop will equal the projected farm yield
10 multiplied by the farm acreage allotment. The pro-
11 ducer shall not be eligible to receive price support on the
12 wheat so stored.

13 “(5) In any case in which the provisions of this Act
14 prohibit the making of wheat price support loans or pay-
15 ments for failure of a producer to comply fully with the
16 terms and conditions of the programs formulated under
17 this Act, the Secretary may, nevertheless, make such
18 loans and payments in such amounts as he determines to
19 be equitable in relation to the gravity of the violation.

20 SEC. 105. The Agricultural Act of 1964 is amended as
21 follows:

22 (1) Amendment (7) of section 202 is amended by
23 striking out “1964 and 1965” and substituting “the calendar
24 years 1964 through 1969”; and by striking out “marketing
25 certificates” and substituting “price support”.

1 (2) Section 204 is amended by striking out “1964 and
2 1965” and substituting “1964 through 1969”; and by strik-
3 ing out “not accompanied by marketing certificates” and sub-
4 stituting “under section 107(1) of the Agricultural Act of
5 1949”.

6 SEC. 106. Effective beginning with the crop planted for
7 harvest in the calendar year 1967, section 339(a)(1) of the
8 Agricultural Adjustment Act of 1938, as amended, is
9 amended by inserting after the words “national acreage
10 allotment”, wherever they appear, the following: “(less
11 an acreage equal to the increased acreage allotted for 1965
12 pursuant to section 335)”.

13 SEC. 107. Section 301(b) of the Agricultural Adjust-
14 ment Act of 1938, as amended, is amended as follows:

15 (1) Paragraph (8) is amended by inserting “(A)”
16 after “(8)” and adding the following new subparagraph:

17 “(B) ‘Projected national yield’ as applied to any
18 crop of wheat shall be determined on the basis of the
19 national yield per harvested acre of the commodity dur-
20 ing each of the five calendar years immediately preced-
21 ing the year in which such projected national yield is
22 determined, adjusted for abnormal weather conditions
23 affecting such yield, for trends in yields and for any
24 significant changes in production practices.”

1 (2) Paragraph (13) is amended by adding the following
2 new subparagraphs:

3 “(J) ‘Projected county yield’ for any crop of wheat shall
4 be determined on the basis of the yield per harvested acre
5 of such commodity in the county during each of the five
6 calendar years immediately preceding the year in which such
7 projected county yield is determined, adjusted for abnormal
8 weather conditions affecting such yield, for trends in yields
9 and for any significant changes in production practices.

10 “(K) ‘Projected farm yield’ for any crop of wheat
11 shall be determined on the basis of the yield per harvested
12 acre of such commodity on the farm during each of the
13 three calendar years immediately preceding the year in
14 which such projected farm yield is determined, adjusted
15 for abnormal weather conditions affecting such yield, for
16 trends in yields and for any significant changes in produc-
17 tion practices.”

18 SEC. 108. Section 379i of the Agricultural Adjustment
19 Act of 1938, as amended, is amended, effective as of the
20 effective date of the original enactment of that section, by
21 inserting in subsections (a) and (b) after the word “who”,
22 wherever it appears, the word “knowingly”.

23 SEC. 109. (a) Effective beginning with the crop planted
24 for harvest in 1966, paragraph (9) of section 301(b) of

1 *the Agricultural Adjustment Act of 1938, as amended, is*
2 *amended to read as follows:*

3 “(9) ‘Normal production’ as applied to any number of
4 acres of rice or cotton means the normal yield for the farm
5 times such number of acres and for wheat means the pro-
6 jected farm yield times such number of acres.”

7 (b) Public Law 74, Seventy-seventh Congress, as
8 amended, is amended by changing the words “normal yield
9 of wheat per acre established for the farm” in paragraph
10 (1) to the words “projected farm yield”.

11 SEC. 110. If the national, State, and county allotments
12 have already been established for the 1966 crop of wheat
13 before this Act becomes effective, the national, State, county,
14 and farm acreage allotments for such crop of wheat shall be
15 established in accordance with the provisions of law in effect
16 prior to the enactment of this Act.

17 TITLE II—FEED GRAINS

18 SUBTITLE A—PROGRAM FOR 1966 THROUGH 19 1969 CROPS

20 SEC. 201. Section 105 of the Agricultural Act of 1949,
21 as amended, is amended by adding the following new sub-
22 section (e):

23 “(e) For the 1966 through 1969 crops of feed grains,
24 the Secretary shall require as a condition of eligibility for

1 price support on the crop of any feed grain which is included
2 in any acreage diversion program formulated under section
3 16(i) of the Soil Conservation and Domestic Allotment Act,
4 as amended, that the producer shall participate in the diver-
5 sion program to the extent prescribed by the Secretary, and,
6 if no diversion program is in effect for any crop, he may
7 require as a condition of eligibility for price support on such
8 crop of feed grains that the producer shall not exceed his
9 feed grain base: Provided, That the acreage on any farm
10 which is diverted from the production of feed grains pur-
11 suant to a contract hereafter entered into under the Soil
12 Bank Act shall be deemed to be acreage diverted from the
13 production of feed grains for purposes of meeting the fore-
14 going requirements for eligibility for price support: Provided
15 further, That the Secretary may provide that no producer
16 of malting barley shall be required as a condition of eligibil-
17 ity for price support for barley to participate in the acreage
18 diversion program for feed grains if such producer has pre-
19 viously produced a malting variety of barley, plants barley
20 only of an acceptable malting variety for harvest, does not
21 knowingly devote an acreage on the farm to barley in excess
22 of 110 per centum of the average acreage devoted on the
23 farm to barley in 1959 and 1960, does not knowingly devote
24 an acreage on the farm to corn and grain sorghums in excess
25 of the acreage devoted on the farm to corn and grain sor-

1 ghums in 1959 and 1960, and does not devote any acreage
2 devoted to the production of oats and rye in 1959 and 1960
3 to the production of wheat pursuant to the provisions of
4 section 328 of the Food and Agriculture Act of 1962.
5 Such portion of the support price for any feed grain in-
6 cluded in the acreage diversion program as the Secretary
7 determines desirable to assure that the benefits of the price-
8 support and diversion programs inure primarily to those
9 producers who cooperate in reducing their acreages of feed
10 grains shall be made available to producers through payments-
11 in-kind. Such payments-in-kind shall be made available on
12 the maximum permitted acreage, or the Secretary may make
13 the same total amount available on a smaller acreage or
14 acreages at a higher rate or rates. The number of bushels of
15 such feed grain on which such payments-in-kind shall be made
16 shall be determined by multiplying that part of the actual
17 acreage of such feed grain planted on the farm for harvest
18 on which the Secretary makes such payments available by
19 the farm projected yield per acre: Provided, That for pur-
20 poses of such payments, the Secretary may permit pro-
21 ducers of feed grains to have acreage devoted to soybeans
22 considered as devoted to the production of feed grains to
23 such extent and subject to such terms and conditions as the
24 Secretary determines will not impair the effective operation
25 of the price-support program: Provided further, That for

1 purposes of such payments, producers on any farm who have
2 planted not less than 90 per centum of the acreage of feed
3 grains permitted to be planted shall be deemed to have planted
4 the entire acreage permitted. Notwithstanding the pro-
5 visions of subsection (a), that portion of the support price
6 which is made available through loans and purchases
7 for the 1966 through 1969 crops may be reduced below the
8 loan level for the 1965 crop by such amounts and in such
9 stages as may be necessary to promote increased participation
10 in the feed grain program, taking into account increases in
11 yields, but so as not to disrupt the feed grain and livestock
12 economy: Provided, That this authority shall not be con-
13 strued to modify or affect the Secretary's discretion to main-
14 tain or increase total price support levels to cooperators.
15 An acreage on the farm which the Secretary finds was not
16 planted to feed grains because of drought, flood, or other
17 natural disaster shall be deemed to be an actual acreage of
18 feed grains planted for harvest for purposes of such pay-
19 ments. The Secretary may make not to exceed 50 per centum
20 of any payments hereunder to producers in advance of deter-
21 mination of performance. Payments-in-kind shall be made
22 through the issuance of negotiable certificates which the Com-
23 modity Credit Corporation shall redeem for feed grains (such
24 feed grains to be valued by the Secretary at not less than

1 the current support price made available through loans and
2 purchases, plus reasonable carrying charges) in accordance
3 with regulations prescribed by the Secretary and, notwith-
4 standing any other provision of law, the Commodity Credit
5 Corporation shall, in accordance with regulations prescribed
6 by the Secretary, assist the producer in the marketing of
7 such certificates. The Secretary shall provide for the shar-
8 ing of such certificates among producers on the farm on a
9 fair and equitable basis. If the operator of the farm elects
10 to participate in the acreage diversion program, price sup-
11 port for feed grains included in the program shall be made
12 available to the producers on such farm only if such pro-
13 ducers divert from the production of such feed grains, in
14 accordance with the provisions of such program, an acreage
15 on the farm equal to the number of acres which such
16 operator agrees to divert, and the agreement shall so provide.
17 Notwithstanding any other provision of law, payments in
18 kind under this subsection (e) and subsection (d) of this
19 section may be adjusted by the Secretary for failure of a
20 producer to comply fully with the terms and conditions of
21 the programs formulated under such subsections and section
22 16 of the Soil Conservation and Domestic Allotment Act,
23 as amended.”

24 SEC. 202. Section 16 of the Soil Conservation and Do-

1 *mestic Allotment Act, as amended, is amended by adding*
2 *the following new subsection:*

3 *“(i) Notwithstanding any other provision of law—*

4 *“(1) For the 1966 through 1969 crops of feed*
5 *grains, if the Secretary determines that the total supply*
6 *of feed grains will, in the absence of an acreage diver-*
7 *sion program, likely be excessive, taking into account*
8 *the need for an adequate carryover to maintain reason-*
9 *able and stable supplies and prices of feed grains and to*
10 *meet any national emergency, he may formulate and*
11 *carry out an acreage diversion program for feed grains,*
12 *without regard to provisions which would be applicable*
13 *to the regular agricultural conservation program, under*
14 *which, subject to such terms and conditions as the*
15 *Secretary determines, conservation payments shall be*
16 *made to producers who divert acreage from the pro-*
17 *duction of feed grains to an approved conservation use*
18 *and increase their average acreage of cropland devoted*
19 *in 1959 and 1960 to designated soil-conserving crops*
20 *or practices including summer fallow and idle land by*
21 *an equal amount. Payments shall be made at such rate*
22 *or rates as the Secretary determines will provide pro-*
23 *ducers with a fair and reasonable return for the acreage*
24 *diverted but not in excess of 50 per centum of the esti-*
25 *mated basic county support rate, including the lowest rate*

1 of payment-in-kind, on the normal production of the acre-
2 age diverted from the commodity on the farm based on
3 the farm projected yield per acre. Notwithstanding
4 the foregoing provisions, the Secretary may permit all
5 or any part of such diverted acreage to be devoted to
6 the production of guar, sesame, safflower, sunflower,
7 castor beans, mustard seed, crambe, and flax, if he
8 determines that such production of the commodity is
9 needed to provide an adequate supply, is not likely to
10 increase the cost of the price support program and will
11 not adversely affect farm income subject to the condi-
12 tion that payment with respect to diverted acreage de-
13 voted to any such crop shall be at a rate determined by
14 the Secretary to be fair and reasonable, taking into con-
15 sideration the use of such acreage for the production of
16 such crops, but in no event shall the payment exceed
17 one-half the rate which otherwise would be applicable if
18 such acreage were devoted to conservation uses. The
19 term 'feed grains' means corn, grain sorghums, and, if
20 designated by the Secretary, barley, and if for any crop
21 the producer so requests for purposes of having acreage
22 devoted to the production of wheat considered as devoted
23 to the production of feed grains, pursuant to the pro-
24 visions of section 328 of the Food and Agriculture Act

1 of 1962, the term 'feed grains' shall include oats and rye:
2 *Provided, That* acreages of corn, grain sorghums, and,
3 if designated by the Secretary, barley, shall not be
4 planted in lieu of acreages of oats and rye: *Provided*
5 further, *That* the acreage devoted to the production of
6 wheat shall not be considered as an acreage of feed
7 grains for purposes of establishing the feed grain base
8 acreage for the farm for subsequent crops. Such feed
9 grain diversion program shall require the producer to
10 take such measures as the Secretary may deem appro-
11 priate to keep such diverted acreage free from erosion,
12 insects, weeds, and rodents. The acreage eligible for
13 participation in the program shall be such acreage (not
14 to exceed 50 per centum of the average acreage on the
15 farm devoted to feed grains in the crop years 1959 and
16 1960 or twenty-five acres, whichever is greater) as the
17 Secretary determines necessary to achieve the acreage
18 reduction goal for the crop. Payments shall be made
19 in kind. The acreage of wheat produced on the farm
20 during the crop years 1959, 1960, and 1961, pursuant
21 to the exemption provided in section 335(f) of the Agri-
22 cultural Adjustment Act of 1938, as amended, prior to
23 its repeal by the Food and Agriculture Act of 1962, in
24 excess of the small farm base acreage for wheat estab-
25 lished under section 335 of the Agricultural Adjustment

1 *Act of 1938, as amended, may be taken into consider-*
2 *ation in establishing the feed grain base acreage for the*
3 *farm. The Secretary may make such adjustments in*
4 *acreage as he determines necessary to correct for ab-*
5 *normal factors affecting production, and to give due*
6 *consideration to tillable acreage, crop-rotation practices,*
7 *types of soil, soil and water conservation measures, and*
8 *topography. Notwithstanding any other provision of*
9 *this subsection (i)(1), the Secretary may, upon unani-*
10 *mous request of the State committee established pursuant*
11 *to section 8(b) of the Soil Conservation and Domestic*
12 *Allotment Act, as amended, adjust the feed grain bases*
13 *for farms within any State or county to the extent he*
14 *determines such adjustment to be necessary in order to*
15 *establish fair and equitable feed grain bases for farms*
16 *within such State or county. The Secretary may make*
17 *not to exceed 50 per centum of any payments to pro-*
18 *ducers in advance of determination of performance.*
19 *Notwithstanding any other provision of this subsection,*
20 *barley shall not be included in the program for a pro-*
21 *ducer of malting barley exempted pursuant to section*
22 *105(e) of the Agricultural Act of 1949, who partici-*
23 *pates only with respect to corn and grain sorghums*
24 *and does not knowingly devote an acreage on the farm*
25 *to barley in excess of 110 per centum of the average*

1 acreage devoted on the farm to barley in 1959 and
2 1960.

3 “(2) Notwithstanding any other provision of this
4 subsection, not to exceed 1 per centum of the estimated
5 total feed grain bases for all farms in a State for any
6 year may be reserved from the feed grain bases estab-
7 lished for farms in the State for apportionment to farms
8 on which there were no acreages devoted to feed grains
9 in the crop years 1959 and 1960 on the basis of the
10 following factors: Suitability of the land for the pro-
11 duction of feed grains, the past experience of the farm
12 operator in the production of feed grains, the extent to
13 which the farm operator is dependent on income from
14 farming for his livelihood, the production of feed grains
15 on other farms owned, operated, or controlled by the
16 farm operator, and such other factors as the Secretary
17 determines should be considered for the purpose of estab-
18 lishing fair and equitable feed grain bases. An acreage
19 equal to the feed grain base so established for each farm
20 shall be deemed to have been devoted to feed grains on
21 the farm in each of the crop years 1959 and 1960 for
22 purposes of this subsection except that producers on such
23 farm shall not be eligible for conservation payments for
24 the first year for which the feed grain base is established.

25 “(3) There are hereby authorized to be appropri-

1 ated such amounts as may be necessary to enable the
2 Secretary to carry out this section 16(i).

3 “(4) The Secretary shall provide by regulations for
4 the sharing of payments under this subsection among
5 producers on the farm on a fair and equitable basis and
6 in keeping with existing contracts.

7 “(5) Payments in kind shall be made through the
8 issuance of negotiable certificates which the Commodity
9 Credit Corporation shall redeem for feed grains in ac-
10 cordance with regulations prescribed by the Secretary
11 and, notwithstanding any other provision of law, the
12 Commodity Credit Corporation shall, in accordance with
13 regulations prescribed by the Secretary, assist the pro-
14 ducer in the marketing of such certificates. Feed grains
15 with which Commodity Credit Corporation redeems cer-
16 tificates pursuant to this paragraph shall be valued at not
17 less than the current support price made available
18 through loans and purchases, plus reasonable carrying
19 charges.

20 “(6) Notwithstanding any other provision of law,
21 the Secretary may, by mutual agreement with the pro-
22 ducer, terminate or modify any agreement previously
23 entered into pursuant to this subsection if he determines
24 such action necessary because of an emergency created

1 *by drought or other disaster, or in order to prevent or*
 2 *alleviate a shortage in the supply of feed grains.”*

3 *SEC. 203. Section 326 of the Food and Agriculture Act*
 4 *of 1962, as amended, is amended by deleting the language*
 5 *beginning with “the requirements” and ending with “Agricultural Act of 1961, and” and substituting therefor “the*
 6 *requirements of any program under which price support is*
 7 *extended or payments are made to farmers, and price sup-*
 8 *port may be extended or”.*

10 *SUBTITLE B—ALTERNATIVE FEED GRAIN PROGRAM*

11 *SEC. 204. For any of the 1966 through 1969 crops of*
 12 *feed grains, the Secretary may, in lieu of the program author-*
 13 *ized under the provisions of Subtitle A hereof, carry out a*
 14 *feed grain program in accordance with the provisions of this*
 15 *Subtitle B. For purposes of any program under this Sub-*
 16 *title B, the following provisions of law shall be deemed to be*
 17 *amended as herein provided.*

18 *(1) Section 105 of the Agricultural Act of 1949, as*
 19 *amended, is amended (i) by striking out “not less than 65*
 20 *per centum” from subsection (a) and substituting “not less*
 21 *than 60 per centum”, and (ii) by amending subsection (e) to*
 22 *read as follows:*

23 *“(e) For the 1966 through 1969 crops of feed grains,*
 24 *the Secretary shall require, as a condition of eligibility for*
 25 *price support on the crop of any feed grain which is included*

1 in any acreage diversion program formulated under section
2 16(i) of the Soil Conservation and Domestic Allotment Act,
3 as amended, that the producer shall participate in the diver-
4 sion program to the extent prescribed by the Secretary, and,
5 if no diversion program is in effect for any crop, he may
6 require as a condition of eligibility for price support on such
7 crop of feed grains that the producer shall not exceed his
8 feed grain base: Provided, That the acreage on any farm
9 which is diverted from the production of feed grains pur-
10 suant to a contract hereafter entered into under the Soil
11 Bank Act shall be deemed to be acreage diverted from the
12 production of feed grains for purposes of meeting the fore-
13 going requirements for eligibility for price support: Provided
14 further, That the Secretary may provide that no producer
15 of malting barley shall be required as a condition of
16 eligibility for price support for barley to participate
17 in the acreage diversion program for feed grains if such
18 producer has previously produced a malting variety of
19 barley, plants barley only of an acceptable malting variety
20 for harvest, does not knowingly devote an acreage on the
21 farm to barley in excess of 110 per centum of the average
22 acreage devoted on the farm to barley in 1959 and 1960,
23 does not knowingly devote an acreage on the farm to corn
24 and grain sorghums in excess of the acreage devoted on the
25 farm to corn and grain sorghums in 1959 and 1960, and

1 *does not devote any acreage devoted to the production of oats*
2 *and rye in 1959 and 1960 to the production of wheat pur-*
3 *suant to the provisions of section 328 of the Food and Agri-*
4 *culture Act of 1962. A payment of not to exceed 25 cents*
5 *per bushel may be made available on an acreage on a farm*
6 *participating in the program which the Secretary finds was*
7 *not planted to feed grains because of drought, flood, or other*
8 *natural disaster. If the operator of the farm elects to par-*
9 *ticipate in the acreage diversion program, price support for*
10 *feed grains included in the program shall be made avail-*
11 *able to the producers on such farm only if such producers*
12 *divert from the production of such feed grains, in accordance*
13 *with the provisions of such program, an acreage on the farm*
14 *equal to the number of acres which such operator agrees to*
15 *divert, and the agreement shall so provide.*

16 *(2) Paragraph (1) of section 16(i) of the Soil Con-*
17 *servation and Domestic Allotment Act, as amended, is*
18 *amended to read as follows:*

19 *“(1) For the 1966 through 1969 crops of feed*
20 *grains, if the Secretary determines that the total supply*
21 *of feed grains will, in the absence of an acreage diversion*
22 *program, likely be excessive, taking into account the need*
23 *for an adequate carryover to maintain reasonable and*
24 *stable supplies and prices of feed grains and to meet any*
25 *national emergency, he may formulate and carry out*

1 *an acreage diversion program for feed grains, without*
2 *regard to provisions which would be applicable to the*
3 *regular agricultural conservation program, under which,*
4 *subject to such terms and conditions as the Secretary*
5 *determines, conservation payments shall be made to pro-*
6 *ducers who divert acreage from the production of feed*
7 *grains to an approved conservation use and increase*
8 *their average acreage of cropland devoted in 1959 and*
9 *1960 to designated soil-conserving crops or practices*
10 *including summer fallow and idle land by an equal*
11 *amount. Payments shall be made at such rate or rates*
12 *as the Secretary determines will provide producers with*
13 *a fair and reasonable return for the acreage diverted,*
14 *not less than 50 per centum of the estimated basic county*
15 *support rate, on the normal production of the acreage*
16 *diverted from the commodity on the farm based on the*
17 *farm projected yield per acre: Provided, That pay-*
18 *ments may be made at a rate not less than 70 per centum*
19 *of the estimated basic county support rate on the normal*
20 *production of the acreage diverted from the commodity*
21 *on the farm based on the farm projected yield per acre*
22 *if the producer agrees to and diverts for a period of five*
23 *years not less than 40 per centum of the average acreage*
24 *on the farm devoted to feed grains in the crop years 1959*

1 *and 1960. Notwithstanding the foregoing provisions,*
2 *the Secretary may permit all or any part of such diverted*
3 *acreage to be devoted to the production of guar, sesame,*
4 *safflower, sunflower, castor beans, mustard seed, crambe,*
5 *and flax, if he determines that such production of the*
6 *commodity is needed to provide an adequate supply, is*
7 *not likely to increase the cost of the price support pro-*
8 *gram, and will not adversely affect farm income subject to*
9 *the condition that payment with respect to diverted acre-*
10 *age devoted to any such crop shall be at a rate determined*
11 *by the Secretary to be fair and reasonable, taking into*
12 *consideration the use of such acreage for the production of*
13 *such crops, but in no event shall the payment exceed*
14 *one-half the rate which otherwise would be applicable if*
15 *such acreage were devoted to conservation uses. The*
16 *term 'feed grains' means corn, grain sorghums, and, if*
17 *designated by the Secretary, barley and if for any crop*
18 *the producer so requests for purposes of having acreage*
19 *devoted to the production of wheat considered as devoted*
20 *to the production of feed grains, pursuant to the provi-*
21 *sions of section 328 of the Food and Agriculture Act*
22 *of 1962, the term 'feed grains' shall include oats and*
23 *rye: Provided, That acreages of corn, grain sorghums,*
24 *and, if designated by the Secretary, barley, shall not be*
25 *planted in lieu of acreages of oats and rye: Provided*

further, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the reduction in production goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct

1 *for abnormal factors affecting production, and to give*
2 *due consideration to tillable acreage, crop-rotation prac-*
3 *tices, types of soil, soil and water conservation measures,*
4 *and topography. Notwithstanding any other provision*
5 *of this subsection (i)(1), the Secretary may, upon*
6 *unanimous request of the State committee established*
7 *pursuant to section 8(b) of the Soil Conservation and*
8 *Domestic Allotment Act, as amended, adjust the feed*
9 *grain bases for farms within any State or county to the*
10 *extent he determines such adjustment to be necessary in*
11 *order to establish fair and equitable feed grain bases for*
12 *farms within such State or county. The Secretary may*
13 *make not to exceed 50 per centum of any payments to*
14 *producers in advance of determination of performance:*
15 *Provided, That in no event shall the Secretary make*
16 *payments to any producers under this section in any year*
17 *in excess of 20 per centum of the fair market value of any*
18 *acreage involved. Notwithstanding any other provision*
19 *of this subsection, barley shall not be included in the pro-*
20 *gram for a producer of malting barley exempted pursu-*
21 *ant to section 105(c) of the Agricultural Act of 1949,*
22 *who participates only with respect to corn and grain*
23 *sorghums and does not knowingly devote an acreage on*
24 *the farm to barley in excess of 110 per centum of the*

1 average acreage devoted on the farm to barley in 1959
2 and 1960.”

3 (3) Section 16(i) of the Soil Conservation and Do-
4 mestic Allotment Act, as amended, is amended by adding the
5 following new paragraph:

6 “(7) The program shall be formulated and administered
7 in such manner as will limit the amount of reduction of pro-
8 duction in a county or local community to prevent the pro-
9 gram from adversely affecting the economy of the county or
10 community.”

11 TITLE III—RICE

12 SEC. 301. Section 353(c) of the Agricultural Adjust-
13 ment Act of 1938, as amended, is amended by adding the
14 following new paragraph at the end thereof:

15 “(7) If the national acreage allotment for rice
16 for 1966, 1967, 1968, or 1969 is less than the na-
17 tional acreage allotment for rice for 1965, the Secre-
18 tary shall formulate and carry out an acreage diversion
19 program for rice for such year designed to support the
20 gross income of rice producers at a level not lower than
21 that for 1965, minus any reduction in production costs
22 resulting from the reduced rice acreage. Under such
23 program conservation payments shall be made to pro-
24 ducers who comply with their rice acreage allotments,

1 devote to an approved conservation use an acreage of
2 cropland on the farm equal to the number of acres de-
3 termined by multiplying the farm acreage allotment by
4 the diversion factor, and comply with such additional
5 terms and conditions as the Secretary may prescribe.
6 The diversion factor shall be determined by dividing the
7 number of acres by which the national acreage allotment
8 is reduced below the national acreage allotment for 1965
9 by the number of acres in the national acreage allot-
10 ment. Notwithstanding the foregoing provisions, the
11 Secretary may permit all or any part of such diverted
12 acreage to be devoted to the production of guar, sesame,
13 safflower, sunflower, castor beans, mustard seed, crambe,
14 and flax, if he determines that such production is not
15 likely to increase the cost of the price-support program
16 and will not adversely affect farm income, subject to the
17 condition that payment with respect to diverted acreage
18 devoted to any such crop shall be at a rate determined by
19 the Secretary to be fair and reasonable, taking into con-
20 sideration the use of such acreage for the production of
21 such crops; but in no event shall the payment exceed one-
22 half the rate which otherwise would be applicable if such
23 acreage were devoted to conservation uses. Such pro-
24 gram shall require the producer to take such measures as

1 *the Secretary may deem appropriate to keep such di-*
2 *verted acreage free from erosion, insects, weeds, and*
3 *rodents. The Secretary may make not to exceed 50 per*
4 *centum of any payments to producers in advance of*
5 *determination of performance. The Secretary shall pro-*
6 *vide for the sharing of payments under this paragraph*
7 *among producers on the farm on the basis of their*
8 *respective shares in the rice crop produced on the farm,*
9 *or the proceeds therefrom. The Commodity Credit Cor-*
10 *poration is authorized to utilize its capital funds and*
11 *other assets for the purpose of making the payments au-*
12 *thorized in this section and to pay administrative expenses*
13 *necessary in carrying out this paragraph.”*

14 *SEC. 302. Section 403 of the Agricultural Act of 1949,*
15 *as amended, is amended by inserting at the end thereof the*
16 *following: “In determining support prices for the 1966 and*
17 *1967 crops of rice the Secretary shall, notwithstanding the*
18 *foregoing or any other provision of law, use head and broken*
19 *rice value factors for the various varieties which (1) are*
20 *not lower than those used with respect to the 1965 crop, and*
21 *(2) do not differ as between any two varieties by a greater*
22 *amount than the value factors used with respect to the 1965*
23 *crop for such two varieties differed.”*

1 TITLE IV—WOOL

2 SEC. 401. *The National Wool Act of 1954, as amended,*
3 *is amended as follows:*

4 (1) By deleting from section 703 "March 31, 1966"
5 and inserting in lieu thereof "December 31, 1969".

(2) By changing the period at the end of the third sentence of section 703 to a colon and inserting the following:

“Provided further, That the support price for shorn wool for the 1966 marketing year shall be determined by adjusting the support price for shorn wool for the 1965 marketing year by multiplying such 1965 support price by the ratio of (i) the average of the parity index (the index of prices paid by farmers, including commodities and services, interest, taxes, and farm wage rates, as defined in section 301(a)(1)(C) of the Agricultural Adjustment Act of 1938, as amended), for the three calendar years preceding the calendar year of announcement of such support price to (ii) the average parity index for the three calendar years 1958, 1959, and 1960, and rounded to the nearest full cent, and that the support price for each subsequent marketing year shall be determined by adjusting the support price for the 1965 marketing year in the same manner as the support price for the 1966 marketing year was determined except that the three-calendar-year period used in (i) of the above ratio shall be advanced by one year for each subsequent

1 marketing year: Provided further, That the Secretary shall
 2 make price support available to producers marketing not in
 3 excess of 1,000 pounds of wool in any marketing year at a
 4 level not more than five cents per pound higher than the level
 5 made available to producers marketing in excess of 1,000
 6 pounds in such marketing year.”

7 (3) By deleting the fourth sentence of section 703.

8 TITLE V—CROPLAND ADJUSTMENT

9 SEC. 501. Section 107 of the Soil Bank Act, as amended
 10 is amended as follows:

11 (1) By changing the word “three” in the first sentence
 12 of subsection (a) to the word “five”.

13 (2) By deleting the word “or” immediately preceding
 14 the word “other” in paragraph (1) of subsection (a) and
 15 inserting immediately after the word “uses” a comma and
 16 the words “or practices or uses which will establish, protect
 17 and conserve open spaces, natural beauty, wildlife and
 18 recreational resources and prevent air and water pollution
 19 (priority being given to the extent practicable to practices or
 20 uses which are most likely to result in permanent retirement
 21 to noncrop uses)”.

22 (3) By adding at the end of paragraph (1) of subsec-
 23 tion (a) the following: “The Secretary shall not require the
 24 producer, as a condition to placing such cropland as he may

1 *desire under the contract, to reduce his acreage of more than*
 2 *one commodity subject to acreage or marketing restrictions,*
 3 *or to reduce his acreage of that commodity, by more than 50*
 4 *per centum below the amount permitted by such restrictions.”*

5 (4) *By amending paragraph (4) of subsection (a) to*
 6 *read as follows:*

7 “(4) *Not to graze any acreage established in pro-*
 8 *ductive vegetative cover prior to the expiration of the*
 9 *contract except pursuant to the provisions of section*
 10 *103(a)(3) hereof.”*

11 (5) *By changing the word “all” to “such” in each*
 12 *of the two places it appears in paragraph (6)(A) of sub-*
 13 *section (a), changing the period at the end of such para-*
 14 *graph to a comma, and adding the following: “as the Secre-*
 15 *tary may determine to be appropriate.”*

16 (6) *By adding at the end of paragraph (7) of sub-*
 17 *section (a), the following: “The Secretary shall not require*
 18 *a person who has operated the land to be covered by a con-*
 19 *tract under this section for as long as three years preceding*
 20 *the date of the contract and who controls the land for the*
 21 *contract period to own the land as a condition of eligibility*
 22 *for entering into the contract.”*

23 (7) *By amending paragraph (1) of subsection (b)*
 24 *to read as follows:*

25 “(1) *To bear such part of the average cost (in-*

cluding labor) for the county or area in which the farm is situated of establishing and maintaining vegetative cover or other uses on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this title, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area; and”.

(8) By adding a new sentence at the end of paragraph (2) of subsection (b) to read as follows: The rate or rates of annual adjustment payments as determined hereunder may be increased by an amount determined by the Secretary to be appropriate as a wildlife service payment based upon the benefit of wildlife uses established on the land by producers who permit access to such land by the public during the contract period for hunting, trapping, fishing, and hiking under applicable State and Federal regulations.”

(9) By striking the first sentence of subsection (d) and substituting therefor the following: “A contract shall not be terminated under paragraph (6) of subsection (a) unless the violation is one which the Secretary has prescribed by regulation to be of such nature as to defeat or substantially impair the purposes of the contract.”

(10) By adding a new subsection (e) at the end thereof to read as follows:

“(e) The total acreage placed under contract in any

1 county or local community shall be limited to a percentage
2 of the total eligible acreage in such county or local com-
3 munity which the Secretary determines would not adversely
4 affect the economy of the county or local community. In
5 determining such percentage the Secretary shall give appro-
6 priate consideration to the productivity of the acreage being
7 retired as compared to the average productivity of eligible
8 acreage in the county or local community.”

9 (11) By adding a new subsection (f) as follows:

10 “(f) The acreage on any farm which is diverted from
11 the production of any commodity pursuant to a contract
12 hereafter entered into under this subtitle shall be deemed to
13 be acreage diverted from that commodity for the purposes
14 of any commodity program under which diversion is required
15 as a condition of eligibility for price support.”

16 SEC. 502. Section 109 of the Soil Bank Act, as amended,
17 is amended as follows:

18 (1) By adding at the end of subsection (a) the follow-
19 ing: “The Secretary is authorized to formulate and announce
20 programs under this subtitle B and to enter into contracts
21 thereunder with producers during the period 1966–1969 to
22 be carried out during the period ending not later than
23 December 31, 1978.”

24 (2) By inserting immediately after the word “cover”

1 in subsection (b) the following: "entered into during the
2 five-year period 1956-1960".

3 (3) By amending subsection (c) to read as follows:

4 "(c) In carrying out the program authorized by this
5 subtitle B, the Secretary shall not during any fiscal year enter
6 into contracts with producers which would require payments
7 to producers, including the cost of materials and services, in
8 excess of \$225,000,000 in any calendar year."

9 SEC. 503. Sections 111 and 114 of the Soil Bank Act,
10 as amended, are amended as follows:

11 (1) Section 111 is amended by deleting the words
12 "water storage facilities, or other soil-, water-, wildlife-, or
13 forest-conserving" in subsections (a) and (b) and substi-
14 tuting therefor the word "other".

15 (2) Section 114 is amended by deleting the first two
16 words thereof and substituting therefor the words "Except
17 as the Secretary may by regulation prescribe, no person".

18 SEC. 504. Section 118 of the Soil Bank Act, as amended,
19 is amended by inserting "(a)" after "SEC. 118." and adding
20 new subsections (b), (c) and (d) as follows:

21 "(b) For the purpose of obtaining an increase in the
22 permanent retirement of cropland to noncrop uses the Secre-
23 tary may, notwithstanding any other provision of law, trans-
24 fer funds appropriated for carrying out this title to any other

1 *Federal agency or to States or local governmental agencies*
2 *for use in acquiring cropland for the preservation of open*
3 *spaces, natural beauty, the development of wildlife and rec-*
4 *reational facilities, and the prevention of air and water*
5 *pollution.*

6 “(c) *The Secretary also is authorized to share the cost*
7 *with State and local governmental agencies in the establish-*
8 *ment of practices and uses which will establish, protect, and*
9 *conserve open spaces, natural beauty, wildlife and recrea-*
10 *tional resources, and prevent air and water pollution.*

11 “(d) *The Secretary may, without regard to the civil*
12 *service laws, appoint an Advisory Board on Wildlife to*
13 *advise and consult on matters relating to his functions under*
14 *this title as he deems appropriate. The Board shall consist*
15 *of twelve persons chosen from members of wildlife organiza-*
16 *tions, farm organizations, State game and fish agencies, and*
17 *representatives of the general public. Members of such Ad-*
18 *visory Board who are not regular full-time employees of the*
19 *United States shall, while attending meetings or conferences*
20 *of such Board or otherwise engaged on business of such*
21 *Board, be entitled to receive compensation at a rate fixed by*
22 *the Secretary, but not exceeding \$100 per diem, including*
23 *travel time, and, while so serving away from their homes or*

1 regular places of business, they may be allowed travel ex-
2 penses, including per diem in lieu of subsistence, as author-
3 ized by section 5 of the *Administrative Expenses Act of 1946*
4 (*5 U.S.C. 73b-2*) for persons in the Government service
5 employed intermittently.”

6 SEC. 505. Section 123 of the *Soil Bank Act*, as
7 amended, is repealed, except that such repeal shall not abate
8 any penalty previously incurred by a producer.

9 SEC. 506. (a) Notwithstanding any other provision of
10 law, the Secretary of Agriculture may, to the extent he
11 deems it desirable, provide by appropriate regulations for
12 preservation of cropland, crop acreage, and allotment history
13 applicable to acreage diverted from the production of crops
14 in order to establish or maintain vegetative cover or other
15 approved practices for the purpose of any Federal program
16 under which such history is used as a basis for an allotment
17 or other limitation or for participation in such program.

18 (b) Section 112 of the *Soil Bank Act*, as amended, and
19 subsections (b) (3) and (4) and (e) (6) of section 16 of
20 the *Soil Conservation and Domestic Allotment Act*, as
21 amended, are repealed, except that all rights accruing there-
22 under to persons who entered into contracts or agreements
23 prior to such repeal shall be preserved.

1 *TITLE VI—COTTON*

2 *SEC. 601. Section 103(b) of the Agricultural Act of*
3 *1949, as amended, is amended, effective beginning with the*
4 *1966 crop, to read as follows:*

5 *“(b) If producers have not disapproved marketing*
6 *quotas, the Secretary shall provide additional price support*
7 *on each of the 1966, 1967, 1968, and 1969 crops of upland*
8 *cotton to cooperators on whose farms the acreage planted to*
9 *upland cotton for harvest does not exceed the farm domestic*
10 *allotment established under section 350 of the Agricultural*
11 *Adjustment Act of 1938, as amended. For the 1966 crop*
12 *such additional support shall be 25 per centum of the basic*
13 *level of support established under subsection (a). For the*
14 *1967 and subsequent crops, such additional support shall be*
15 *at such level, not less than 20 per centum and not in excess*
16 *of 40 per centum of the basic level of support established*
17 *under subsection (a), as the Secretary deems necessary to*
18 *provide for an orderly reduction in supplies of cotton to a*
19 *reasonable level. Such additional support shall be provided*
20 *on the projected yield of the acreage planted for harvest*
21 *within the farm domestic allotment.”*

22 *SEC. 602. (a) The first sentence of section 350 of the*
23 *Agricultural Adjustment Act of 1938, as amended, is*
24 *amended to read as follows: “In order to provide producers*
25 *with a choice program of reduced acreage and higher price*

1 support, the Secretary shall establish for each farm for each
2 of the 1964 through 1969 crops of upland cotton a farm
3 domestic allotment in acres."

4 (b) The second proviso of the second sentence of such
5 section (which provides for a minimum domestic allotment)
6 is amended, effective beginning with the 1966 crop, by strik-
7 ing out "15 acres" and inserting "10 acres".

8 (c) The next to last sentence of such section is amended,
9 effective beginning with the 1966 crop, by changing the period
10 at the end thereof to a colon and adding the following: "Pro-
11 vided, That the national domestic acreage allotment shall not
12 be less than 65 per centum of the national acreage allotment."

13 SEC. 603. Effective August 1, 1966, section 348 of the
14 Agricultural Adjustment Act of 1938, as amended, is
15 amended to read as follows:

16 "SEC. 348. Notwithstanding any other provision of law,
17 during the period beginning August 1, 1966, and ending
18 July 31, 1970, the Commodity Credit Corporation is
19 authorized and directed to make payments through the issu-
20 ance of payment-in-kind certificates to persons other than
21 producers or domestic users in the amount of 3 cents per
22 pound of upland cotton subject to such terms and conditions
23 as the Secretary determines will result in the full amount
24 of such payments being reflected in a reduction in the cost

1 of raw cotton to domestic users of such cotton and to such
2 further rules and regulations as the Secretary may prescribe.”

3 SEC. 604. Section 203 of the Agricultural Act of 1956,
4 as amended, is amended by adding at the end thereof the
5 following: “Effective for the period beginning August 1,
6 1966, and ending July 31, 1970, the prices at which cotton
7 is made available in accordance with the requirements of
8 this section shall not be announced in advance of any agree-
9 ment to make such cotton available; but the price at which
10 any cotton is sold for export, and the amount of any pay-
11 ment made to assist in the exportation of any cotton, by the
12 Commodity Credit Corporation shall be fixed as each bid
13 or offer to purchase cotton, or to export cotton with the
14 aid of a payment by the Commodity Credit Corporation, is
15 accepted. If the Commodity Credit Corporation shall at
16 any time reject a bid or offer to purchase cotton for export
17 at the maximum price prescribed by this section, or to export
18 cotton in consideration of a payment which would make
19 cotton available for export at the maximum price prescribed
20 by this section, as determined on the basis of the most recent
21 quotations from Liverpool, Bremen, or Osaka available at
22 the time such bid or offer is rejected, the Secretary of Agri-
23 culture shall within thirty days after such rejection report
24 such fact to the Congress setting out in full the reasons
25 therefor.”

TITLE VII—MISCELLANEOUS

SEC. 701. *The Agricultural Adjustment Act of 1938, as amended, is amended by inserting after section 378 the following new section:*

“RECONSTITUTION OF FARMS

“SEC. 379. *In any case in which the ownership of a tract of land is transferred from a parent farm, the acreage allotments, history acreages, and base acreages for the farm shall be divided between such tract and the parent farm in the same proportion that the cropland acreage in such tract bears to the cropland acreage in the parent farm, except that the Secretary shall provide by regulation the method to be used in determining the division, if any, of the acreage allotments, histories, and bases in any case in which—*

“(1) *the tract of land transferred from the parent farm has been or is being transferred to any agency having the right to acquire it by eminent domain;*

“(2) *the tract of land transferred from the parent farm is to be used for nonagricultural purposes;*

“(3) *the parent farm resulted from a combination of two or more tracts of land and records are available showing the contribution of each tract to the allotments, histories, and bases of the parent farm;*

“(4) *the appropriate county committee determines that a division based on cropland proportions would*

1 *result in allotments and bases not representative of the*
2 *operations normally carried out on any transferred tract*
3 *during the base period; or*

4 *“(5) the parent farm is divided among heirs in*
5 *settling an estate.”*

6 *SEC. 702. Notwithstanding any other provision of law,*
7 *in the determination of farm yields the Secretary may use*
8 *projected yields in lieu of normal yields. In the determina-*
9 *tion of such yields the Secretary shall take into account the*
10 *actual yield proved by the producer, and the projected yield*
11 *shall not be less than the actual yield proved by the producer,*
12 *unless the Secretary finds that the use of such proved yields*
13 *for any commodity will cause inequities between producers.*

14 *SEC. 703. It is the sense of Congress that in the exercise*
15 *of the authority granted under section 3 of the Export Con-*
16 *trol Act of 1949 (50 U.S.C. 2023) no restrictions, limita-*
17 *tions, or conditions with respect to transportation on United*
18 *States-flag vessels shall be required of, or applied to the*
19 *exportation of or to the granting of a license to export agri-*
20 *cultural commodities in connection with normal commercial*
21 *sales for dollars to any country unless such restrictions, limi-*
22 *tations, or conditions shall likewise apply to the exportation*
23 *or license to export all other commodities, without limitation,*
24 *to such country: Provided, however, That nothing herein shall*

1 *limit the prohibition contained in the Trading With the*
2 *Enemy Act (50 U.S.C. 3).*

3 *SEC. 704. The Secretary of Agriculture is hereby au-*
4 *thorized to use funds of the Commodity Credit Corporation*
5 *to purchase sufficient supplies of dairy products at market*
6 *prices to meet the requirements of any programs for the*
7 *schools, domestic relief distribution, community action, foreign*
8 *distribution, and such other programs as are authorized*
9 *by law, when there are insufficient stocks of dairy products*
10 *in the hands of Commodity Credit Corporation available*
11 *for these purposes.*

12 *SEC. 705. The Secretary of Agriculture is directed to*
13 *cause a study of the situation of full-time commercial family*
14 *farms to be made by appropriate personnel of the Department*
15 *of Agriculture, to indicate among other things, the degree to*
16 *which farm programs are of benefit to such farmers.*

17 *Such a study should suggest possible criteria for defining*
18 *commercial family farms on a county-by-county basis and*
19 *may develop on a pilot basis, examples of how such com-*
20 *mercial family farm criteria might apply in typical agricul-*
21 *tural counties in several production areas of the Nation.*

22 *The Secretary shall make such report to the agricultural*
23 *committees of the Congress on or before February 1, 1966.*

24 *SEC. 706. Notwithstanding any other provision of law,*

1 *whenever the application of any law of the United States*
2 *requires determinations to be made of the amounts of land,*
3 *labor, material or services needed for the production and har-*
4 *vesting of any agricultural crop, or of the availability thereof*
5 *for such production and harvesting, such determinations shall*
6 *be made by the Secretary of Agriculture and shall be ac-*
7 *cepted by all agencies of the United States in the carrying out*
8 *of activities in which such determinations are needed.*

Passed the House of Representatives August 19, 1965.

Attest:

RALPH R. ROBERTS,

Clerk.

89TH CONGRESS
1ST SESSION

H. R. 9811

[Report No. 687]

AN ACT

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

AUGUST 20, 1965

Read twice and referred to the Committee on
Agriculture and Forestry

SEPTEMBER 7, 1965

Reported with an amendment

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 9811), to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. MANSFIELD. Mr. President, for the information of the Senate, various reports of committees will be allowed to be filed until midnight tonight. It is my hope that the farm bill will be the pending business at the conclusion of the morning business tomorrow; but for the information of the Senate and in response to the questions raised by the distinguished Senator from California [Mr. KUCHEL], tomorrow the Senate will take up and consider the following measures:

Calendar No. 655, H.R. 8027, a bill to provide assistance in training State and local law enforcement officers and other personnel, and in improving capabilities, techniques and practices in State and local law enforcement and prevention and control of crime, and for other purposes.

The Senate should be prepared to take up, as soon as they are cleared, the following measures:

Calendar No. 658, S. 1349, a bill to amend the inland, Great Lakes, and western rivers rules concerning sailing vessels and vessels under 65 feet in length.

Calendar No. 659, H.R. 5989, an act to amend section 27, Merchant Marine Act of 1920, as amended.

Calendar No. 660, S. 2142, a bill to simplify the admeasurement of small vessels.

Calendar No. 662, S. 897, a bill to provide for the establishment of the St. Croix National Scenic Waterway in the States of Minnesota and Wisconsin, and for other purposes.

Calendar No. 669, S. 2118, a bill to clarify sections 9 and 37 of the shipping Act of 1916, and subsection O(d) of the Ship Mortgage Act of 1920, and for other purposes.

It is hoped that tomorrow the highway beautification bill will be reported, and that it will be taken up as expeditiously as possible.

In addition, Calendar No. 635, H.R. 8469, to provide certain increases in annuities payable from the Civil Service Retirement and Disability Fund, and for other purposes may be considered tomorrow.

Any of the bills I have mentioned may be taken up tomorrow.

No further legislative business will be transacted this afternoon.

Therefore, the Senate should be on notice that a workload is in the offing. It is the hope of the leadership on both sides of the aisle that it will be possible to start work on the farm bill tomorrow. I hope it will be possible to dispose of the farm bill this week, even if it means having a Saturday session.

Mr. KUCHEL. I thank the Senator.

Mr. MAGNUSON. I should like to ask the Senator from Montana a question. I

presume that we shall have adequate debate—of course, I know that we shall have it—on the farm bill. That debate may go on for 2 or 3 days. The Senator from Wisconsin and I and many other Senators are disturbed about the report to the effect that the dairy program has been taken out of the bill. Many other Senators are concerned with that situation. The provision is contained in the House bill. I expect that this provision will take a little time to discuss on the floor because of the great concern about the dairy section.

Mr. MANSFIELD. Yes; the dairy section is not the only section in disagreement.

Mr. MAGNUSON. At least the other features have been tackled in some respects, but the dairy section has been taken out completely. The Senator from Wisconsin and I will have a little to say about it.

LET US SAVE OUR COTTON INDUSTRY, NOT DESTROY IT

Mr. KUCHEL. Mr. President, let the RECORD show that with respect to the farm bill, which will be here before the Senate tomorrow and perhaps for a while during the week, I speak not only as a Californian, but as an American, in registering my own violent and vigorous objection to what, regretfully, the Committee on Agriculture and Forestry saw fit to do on the subject of cotton.

The administration made some recommendations to Congress in an effort to help the weakening economic position of American cotton. They were good recommendations. They had a tendency to eliminate needless subsidies. They had a tendency to lower the amount of cotton surpluses. They had a tendency to encourage free competition in cotton, unfettered by Federal financial soporifics. Such action is in the interest of the American taxpayers.

The House of Representatives voted the recommendations of the administration. Those recommendations were agreed upon by such able Members of the Senate as my friend the distinguished junior Senator from Georgia [Mr. TALMADGE].

I regret that the committee overruled what the administration asked for, and what the House of Representatives approved, and what I believe the Senate at long last will have approved when the debate on the proposed legislation has been terminated.

I recognize the great difficulty in finding a base upon which to cope with what many people in this country are calling the mess in agriculture. At any rate, I salute Senators on both sides of the aisle who interest themselves in the traditional American concept of individual American initiative.

So far as I am concerned, the Senate should review the extremely regrettable action of the committee in dealing with the problem of the cotton industry, which is in great distress and, after doing so, rectify the committee's errors, and approve what the administration has recommended.

Mr. President, if we are going to save

the cotton industry of the United States from destruction, we are going to have to continue and strengthen and improve the one-price system.

We are going to have to do this to keep cotton competitive in the world market and competitive with manmade fibers in our domestic mills.

We simply cannot go back to the old, ruinous, two-price system as called for in the Senate committee bill. A return to the two-price system would mean the end of cotton in America.

Our domestic mills would turn more and more to synthetic fibers. Our cotton stocks would pile up ever higher and higher in our warehouses at great cost to the taxpayers. Our cotton would be priced out of the market, and this would mean eventual ruin to the cotton farmers of America.

We cannot afford, Mr. President, to continue high price supports and high loans that price our cotton out of the market and survive in either the world or the domestic trade.

We have got to go to a lower loan rate, and to a provision in H.R. 9811, as passed by the House, which would permit our efficient cotton farmers to stay out of the Government program, and produce as much as they want to plant for the lower world market price. Is not that the American system?

As I pointed out to the Senate only a few days ago, Mr. President, there is an urgent need for more quality, strong cotton to compete with synthetic fibers. Our California farmers produce this type of strong, high quality cotton, Mr. President. And, I think they ought to be allowed to produce more of it for the world market price, if they can do this efficiently and economically.

H.R. 9811, the House passed bill, provides that any cotton grower who would forego the Government loan, all Government payments, and all Government subsidies on his cotton, could grow for the world price of about 22 cents a pound without acreage restrictions.

We have some few growers in California who I believe would be adventurous enough to try growing cotton not only for the world market at the world price, but also for our own domestic textile mills at the world price, Mr. President, if they were permitted to do so.

Our domestic mills need more of this high quality cotton to blend with other cotton fibers in the manufacture of modern textiles. And they would use it if they could buy it at the world price.

This type of cotton would be used by the mills; it would not pile up in the warehouses, and it would mean increased use of cotton and less use of synthetics. And this cotton would be produced at no cost to the taxpayers. Should not that be an attractive feature to our fellow citizens?

Mr. President, if an American farmer chooses not to take a Government subsidy, he ought to be allowed to plant cotton to his heart's content and sell it at the world price.

The overplanting provision of H.R. 9811 would permit this to be done, and it is my firm belief that this would not

have an adverse effect on the cotton program. Indeed, I believe it would contribute to increasing the competitiveness of cotton in both the world and domestic markets.

Mr. President, I do not necessarily favor each and every provision of H.R. 9811, but it is imperative that we continue and improve the one-price system for cotton. H.R. 9811 will do this, and it is a far better program than the Senate committee bill, which, in my judgment, would destroy our cotton industry.

The President of the United States has recommended that the present cotton program be extended with new measures designed to reduce the cost of the program and to cut down on the cotton surplus.

H.R. 9811 would do this, but the Senate committee bill would not.

The cotton carryover on August 1 of this year was 14.2 million bales, and a 1965 crop of more than 14.8 million bales is anticipated. At the present rate of domestic consumption and exports, the cotton carryover probably will rise to about 15.5 million bales by August 1, 1966. CCC will hold about 13 million bales of these stocks.

This is far too much cotton to be stored in our warehouses at the taxpayers' expense. The Senate committee bill will not sufficiently reduce this huge surplus. It would not improve our world competitive position. It would not reduce costs, as the President has advocated. It would materially add to them.

If the Senate committee bill were approved, the costs of the cotton program would be increased year by year, and surpluses would not be reduced to the extent that the public interest would require.

The so-called Ellender program of the Senate committee would cost a little more now than the one-price program of H.R. 9811, and the costs would increase year by year.

On the other hand, the low loan, direct payment, one-price program would cost slightly less to begin with, and in each succeeding year its cost would be from \$200 million to \$300 million less than the Ellender plan.

The Ellender program would reduce our cotton surpluses down to around 12.5 million bales; but this is not enough reduction.

We need to get our surpluses down to around 9 million bales. The low loan, direct payment, one-price program of H.R. 9811 and the amendments rejected by the Senate committee would bring our surplus down below the 9 million figure.

One of the big problems of our cotton industry is how to increase our exports. We are losing out in the world market, which is a mounting tragedy in this era of imbalance of payments in our foreign trade.

Our cotton exports last year were 4.2 million bales and for this year are estimated at about the same level—down from 5.7 million bales in 1963–64. World production at record high levels, and increased consumption of man-made fibers are the major factors responsible for our export situation.

What to do about this is one of the most difficult questions confronting us. Everyone agrees that cotton should be offered for sale competitively in the world market. But, how is this to be accomplished?

Do we allow our cotton growers to produce for export on a competitive basis? Or, do we have the U.S. grower produce cotton for export at a price higher than the world prices—protected by Government price-support programs—and then have the price lowered to competitive world levels at Government expense and by bureaucratic decision?

The latter method already has been tried and found wanting. The Senate committee bill, would simply go back to this plan that already has been proven to be a failure, and a costly failure at that.

Price support loans nearer world price levels, with supplementary payments to producers participating in the cotton program, would be far more desirable, far more flexible, and would enable the market to determine prices.

Under the program as adopted by the House, we can increase our exports without such high Government expenditures, and at the same time we can maintain farm income at reasonable and decent levels.

Mr. President, I do not want to see the efficient cotton producers of California and other areas of our Nation penalized and hamstrung by continued restrictive policies of Government controls. I want to see them free to plant, without Government subsidies, for the world market.

I want to see us get the Government out of this business of buying, storing, and selling so much cotton. This ought to be the business of the cotton trade, not of the Government.

Mr. President, I appeal to my colleagues on both sides of the aisle—let us strike the chains from our cotton farmers. Let us vote down the ruinous cotton provisions of the Senate committee bill, and substitute for it the cotton section of H.R. 9811.

Do not destroy our cotton industry and our cotton farmers. Save this industry and the cotton farmers with a cotton program that makes some sense. Thus, will the national economy be strengthened, and the theory of American initiative be vindicated.

THE STEEL STRIKE—PRESIDENT JOHNSON'S EFFORTS IN SETTLING MANAGEMENT-LABOR DISPUTES

Mr. MANSFIELD. Mr. President, I should like to state how happy and pleased I am that the producers of steel and the makers of steel, management and labor, were able to get together over the past weekend.

I believe that much credit should go to them for their understanding of what the effects of a steel strike would be on the country. Great credit should go to the President of the United States who, for the second time, has performed a task of significance to the economic welfare of the country in exerting his personal

efforts to bring about a settlement of the differences in the steel industry.

The Senate may recall that when the President first took office, he was largely responsible for bringing about a settlement of the differences within the railroad industry—differences which had plagued previous administrations for several years, and which were finally adjudicated through the personal interest he took in them.

I am delighted that this settlement in the steel industry has taken place. I am glad to note, from newspaper accounts, at least, that the settlement remains within the guidelines set down by the administration.

I am very hopeful that the settlement of this strike will serve as an indicator to other industries and to organized labor that it is much better to settle differences than to try to work them out on the bricks or on the pavement.

I am glad that a week or so ago it was finally possible, at long last, to bring about a settlement of the maritime strike, a strike which never should have occurred in the first place, and which caused untold damage to the economy of this country, a strike which now happily has been settled.

I hope that this pattern will continue and will be applied to other segments of the country.

Mr. BAYH. Mr. President, the most welcome news of the past weekend was the successful negotiation of a 35-month contract between the major American steel producers and the United Steelworkers of America.

President Johnson is to be commended for the role he played in this settlement. He asserted the public interest into the negotiation but did not break into the relationship between management and labor. He urged them to reach their own agreement, without projecting himself into the issues of the negotiations.

The possibility of a steel strike had hung heavily on the Nation's economic horizon for most of this year. With the negotiations beginning during the midst of the United Steelworkers of America union elections, it was difficult to see how the bargaining could be carried out effectively. The union and management wisely agreed to an extension of the old contract to allow the United Steelworkers of America's new president, I. W. Abel, to take control of the union's negotiations.

With the September 1 strike deadline approaching, the President found it necessary to ask for another extension—to September 8—and to invite the negotiators to Washington where he could personally assist in the talks. He made it clear that the public policy of this country is to prevent major work stoppages in essential industry. Although steel accounts for only 4 percent of America's industrial output, it is still so basic to our manufacturing process that any prolonged closing would have a disastrous effect on the entire country.

The President insisted that with the Vietnam crisis, steel and basic industrial production is essential to our national security. He suggested, and rightly so, that any interruption in the production

DIGEST of Congressional Proceedings

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HIGHLIGHTS: Sen. Talmadge submitted cotton amendment to farm bill. Sen. Javits submitted amendment to farm bill to establish commission on food and fiber policy. Sen. Symington commended FHA loan program in Mo.. Sens. Mondale and Nelson urged expansion of food for peace program. House passed foreign aid appropriation bill. House received from President proposed appropriations for Public Works and Economic Development Act.

SENATE

1. FARM PROGRAM. The farm bill, H. R. 9811, remained the unfinished business (pp. 22254, 22265). Sen. Mansfield stated that debate on the bill would begin today (Thurs.) (p. 22242). Sen. Talmadge submitted (for himself and Sens. Jordan, Russell, S. C., Sparkman, and Hill) a cotton amendment intended to be proposed to the bill, and an explanation of the amendment which would provide a four-year cotton program applicable to the 1966, 1967, 1968, and 1969 crops (pp. 22204-6). Sen. Javits submitted (for himself and Sens. Boggs and Tower) an amendment intended to be proposed to the bill to provide for the establishment of a Commission on United States Food and Fiber Policy (pp. 22206-7). Sens. Carlson and Bass submitted amendments intended to be

proposed to the bill (p. 22206).

2. PERSONNEL. By a vote of 73 to 10, passed with amendments H. R. 8469, to increase the annuities of retired Federal employees and to revise the method of determining cost-of-living increases in retirement annuities. pp. 22239, 22242-50, 22252-4
Sen. Lausche stated that "the proposal that the administration be given control in initiating pay raises for Federal employees is unsound, unreasonable and should not be adopted." p. 22234
3. RECREATION. Passed as reported S. 897, to provide for the establishment of the St. Croix National Scenic Waterway, Minn. and Wisc. pp. 22192-6
4. FOOD FOR PEACE. Sens. Mondale and Nelson urged an increase in domestic food production as a means of expanding the food for peace program and inserted articles in support of their positions. pp. 22235-7
5. LOANS. Sen. Symington commended "the outstanding work being done by the Farmers Home Administration under the capable direction of J. Everett Jose" in Mo., and inserted a table comparing FHA loans made in Mo. in 1961 and 1965. p. 22227
6. FARM LABOR. Sen. Hart commended the successful recruitment of domestic workers to harvest the strawberry crop in the Upper Peninsula of Mich. p. 22276
7. AGRICULTURE. Sen. Mansfield and others commended the public service of Sen. Aiken, including his service to agriculture. pp. 22207-9
8. RESEARCH. Sen. Ribicoff inserted a statement by Sen. McClellan announcing the appointment of a special Subcommittee on Government Research, Government Operations Committee, to undertake a study of the operations of research and development programs of Federal agencies. pp. 22209-10
9. FOREIGN AID. Sen. Church urged that the U. S. suspend military and economic aid to India and Pakistan, and stated that "the problem of continued food shipments to these countries is more difficult to decide" and should be thoroughly studied. p. 22210
Sen. Church inserted an article reviewing accomplishments under the Alliance for Progress program. pp. 22210-11
10. WATERSHEDS. The Public Works Committee approved works for improvement on the following watersheds: Upper Choptank River, Del. and Md.; Little Raccoon Creek, Ind.; Timber Creek, Kans.; Tamarac River, Minn.; Quapaw Creek, Okla.; Rock Creek, Okla.; Duck Creek, Tex.; and Cherrystone, Va. p. 22233

HOUSE

11. FOREIGN AID APPROPRIATION BILL. Passed, by a vote of 239 to 143, with amendment this bill, H. R. 10871 (pp. 22291-341). Adopted an amendment by Rep. Rooney, N. Y., to bar aid to nations whose vessels trade with North Vietnam (p. 22334). Rejected an amendment by Rep. Thomson, Wisc., to prevent use of the funds "for research into the administrative organization or operation, or personnel practices, of the Agency for International Development" (pp. 22334-36). This bill includes items for technical cooperation and development grants; contributions to international organizations and programs including the U. N. world food program; Alliance for Progress; Peace Corps; and Department of the Army for aid to the Ryukyu Islands.

We should postpone action here today until we get that report.

The unfunded liability of the retirement fund today is about \$40 billion. Enactment of the bill would add another \$1 billion to this unfunded liability. There is no provision with which to pay the cost of the benefits being authorized.

We cannot escape the fact that if these liberalized provisions are enacted they will have a mathematical effect of further depleting a fund that is already overdrawn. Every retiree will have his retirement computed under the higher formula, plus an increase of 2 percent, plus another increase of 6.5 percent, plus further increases of 3 percent every time there is a rise in the cost of living. All of these increases and no means to pay for them.

The bill would give Government employees, including ourselves, a built-in protection or a hedge against any inflation resulting from our own reckless spending.

There is merit to some parts of this bill, but the very least we can do is postpone action until after receipt of the report and recommendations from the President's Commission.

For that reason I move that the bill be recommitted.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I am willing to yield back my time on the motion.

The PRESIDING OFFICER. Who yields time?

Mr. YARBOROUGH. Mr. President, I yield back my time.

Mr. DIRKSEN. Mr. President, will the Senator withhold that request?

Mr. WILLIAMS of Delaware. I withhold my time, and yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, may I ask the Senator from Texas how this annual amount will be appropriated?

Mr. YARBOROUGH. The increase will be paid out of the retirement fund.

Mr. DIRKSEN. If we are to shove the fund deeper and deeper into the red—the statement has been made that the bill would increase withdrawals from the fund by over \$1 billion—we add that much to all the unfunded liabilities.

In view of the fact that within 2 months a Cabinet Committee is to make its report on retirement for the civil establishment, it is the best reason I know of why the bill should go back to committee and why the motion to recommit should be sustained.

Mr. WILLIAMS of Delaware. Mr. President, I now yield back all time on my motion.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit made by the Senator from Delaware [Mr. WILLIAMS].

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Tennes-

see [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from South Carolina [Mr. RUSSELL], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Ohio [Mr. YOUNG], and the Senator from Louisiana [Mr. ELLENDER] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New York [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Maine [Mr. MUSKIE], and the Senator from Virginia [Mr. ROBERTSON] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Maine [Mr. MUSKIE], the Senator from South Carolina [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. MUNDT] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON] is detained on official business and if present and voting would vote "nay."

The result was announced—yeas 20, nays 61, as follows:

[No. 250 Leg.]

YEAS—20

Aiken	Hickenlooper	Pearson
Bennett	Holland	Proity
Cooper	Hruska	Saltonstall
Curtis	Jordan, Idaho	Simpson
Dirksen	Kuchel	Tower
Dominick	Lausche	Williams, Del.
Fannin	Murphy	

NAYS—61

Allott	Hayden	Moss
Pass	Hill	Nelson
Bayh	Inouye	Neuberger
Bible	Jackson	Pastore
Boggs	Javits	Pell
Brewster	Jordan, N.C.	Proxmire
Burdick	Long, Mo.	Randolph
Byrd, W. Va.	Long, La.	Ribicoff
Cannon	Magnuson	Scott
Carlson	Mansfield	Smith
Case	McClellan	Sparkman
Clark	McGee	Stennis
Dodd	McIntyre	Symington
Douglas	McNamara	Talmadge
Eastland	Metcalf	Thurmond
Ervin	Miller	Tydings
Fong	Mondale	Williams, N.J.
Gruening	Monroney	Yarborough
Harris	Montoya	Young, N. Dak.
Hart	Morse	
Hartke	Morton	

NOT VOTING—19

Anderson	Gore	Robertson
Bartlett	Kennedy, Mass.	Russell, S.C.
Byrd, Va.	Kennedy, N.Y.	Russell, Ga.
Church	McCarthy	Smathers
Cotton	McGovern	Young, Ohio
Ellender	Mundt	
Fulbright	Muskie	

So the motion of Mr. WILLIAMS of Delaware to recommit was rejected.

Mr. WILLIAMS of Delaware. Mr. President, I yield 2 minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, the bill, H.R. 8469, has a very worthy purpose, to extend to retired annuitants formerly in the employ of the U.S. Government increased benefits to meet in some measure the increased cost of living, and I support that objective. But, as has become the practice in the last few years, the bill provides for increased payments but without any funds from which the Federal Government can make the payments over the years.

The trust fund from which payments are made and into which employees have paid their contributions or taxes from their earnings presently amounts to approximately \$17 billion—a very large sum. Unfortunately, the Federal Government has not paid its full share required by law into this fund, and the deficit on an actuarial basis amounts to the staggering sum of over \$40 billion. This means that if these payments are not made by the Federal Government, it will not be able to make the payments that it has promised to its beneficiaries, in anticipation of which they have paid into the fund a large percentage of their earnings.

If the pending bill is passed it would, as I have said, provide no funds for the payment of the increased benefits, and the deficit of over \$40 billion would be increased by another billion dollars. But worst of all, as has been the case in recent years, the bill provides a windfall for Members of Congress. Those who are or become entitled to retirement benefits would immediately receive an increase of from 6 to 11 percent. Thereafter the cost-of-living increases in the amount of 3 percent calculated over a consecutive 3-month period would bring an increase but never below the initial percentage increase or any additional cost-of-living upward increases, thus locking in the changes that were included.

I voted for the motion to recommit the bill, for the purpose of having the committee strike from it these windfall benefits and to restrict it to the retirees who actually need the cost-of-living increases. This bill has been labeled as a bill for the retirees who need the increase, and it should be for them. This bill should also make provision for the Federal Government to pay the necessary amount for the increases in payments into the fund, so that the retirees who are to get the benefits will be assured of them.

Since the motion to recommit—a motion that would have brought the bill into accord with its advertised purpose to help those who need the increase—was defeated. I cannot vote for a bill which would provide benefits for some who do not need them now, which would not require the Government to make the additional payments necessary to fund the benefits, and which would increase the deficit to over \$40 billion owed to cover all the benefits.

Mr. YARBOROUGH. Mr. President, I yield back the remainder of my time.

Mr. WILLIAMS of Delaware. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has expired.

The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. INOUE. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Florida [Mr. SMATHERS], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from New York [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Maine [Mr. MUSKIE], and the Senator from Virginia [Mr. ROBERTSON] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Maine [Mr. MUSKIE], the Senator from Florida [Mr. SMATHERS], and the Senator from Ohio [Mr. YOUNG] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. MUNDT] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON] is detained on official business, and, if present and voting, would vote "yea."

The result was announced—yeas 73, nays 10, as follows:

[No. 251 Leg.]

YEAS—73

Aiken	Hill	Neuberger
Allott	Holland	Pastore
Bass	Inouye	Pearson
Bayh	Jackson	Pell
Bible	Javits	Prouty
Boggs	Jordan, N.C.	Proxmire
Brewster	Jordan, Idaho	Randolph
Burdick	Kuchel	Ribicoff
Byrd, W. Va.	Long, Mo.	Russell, S.C.
Cannon	Magnuson	Russell, Ga.
Carlson	Mansfield	Saltonstall
Case	McClellan	Scott
Clark	McGee	Smith
Dodd	McIntyre	Sparkman
Douglas	McNamara	Stennis
Eastland	Metcalf	Symington
Ellender	Miller	Talmadge
Ervin	Mondale	Thurmond
Fong	Monroney	Tower
Gruening	Montoya	Tydings
Harris	Morse	Williams, N.J.
Hart	Morton	Yarborough
Hartke	Moss	Young, N. Dak.
Hayden	Murphy	
Hickenlooper	Nelson	

NAYS—10

Bennett	Dominick	Simpson
Cooper	Fannin	Williams, Del.
Curtis	Hruska	
Dirksen	Lausche	

NOT VOTING—17

Anderson	Gore	Mundt
Bartlett	Kennedy, Mass.	Muskie
Byrd, Va.	Kennedy, N.Y.	Robertson
Church	Long, La.	Smathers
Cotton	McCarthy	Young, Ohio
Fulbright	McGovern	

So the bill (H.R. 8469) was passed.

Mr. YARBOROUGH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President—

Mr. YARBOROUGH. Mr. President, will the Senator yield to me for 1 minute?

Mr. MANSFIELD. I yield.

Mr. YARBOROUGH. As the floor manager of the bill which has just passed, I express my appreciation for the skill, the aid, and the discussion from the distinguished majority leader and the chairman of the full committee, the distinguished senior Senator from Oklahoma [Mr. MONRONEY], as well as the aid from the ranking minority member of the committee, the distinguished senior Senator from Kansas [Mr. CARLSON], who made a notable contribution, both in the hearings and on the floor of the Senate.

I thank the distinguished members of the opposition for precisely stating their opposition and aiding in the passage of the bill.

I commend the distinguished minority leader and the distinguished senior Senator from Delaware for expediting the work of the Senate.

Mr. MANSFIELD. Mr. President, I want to take this opportunity to congratulate the participants in the debate on H.R. 8469, an act to provide certain increases in annuities payable to civil service retirement annuitants. The able senior Senator from Texas [Mr. YARBOROUGH], assisted by the distinguished senior Senator from Oklahoma [Mr. MONRONEY], managed this bill in a thorough and efficient fashion. Skillful debate and careful analysis were the tools of other participants in discussion of the bill on both sides of the aisle. I refer specifically to the senior Senator from Delaware [Mr. WILLIAMS] and the senior Senator from Ohio [Mr. LAUSCHE] who skillfully discussed the funding problems related to the annuity increases.

In short, it was a discussion of the typically high quality of this body, and I congratulate the Senate on passage of this measure of great significance to retired civil servants and to the country.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural com-

modities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 20) to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 2305. An act for the relief of Zenaida Quijano Lazaro; and

H.R. 3128. An act for the relief of Angelo Iannuzzi.

The message further announced that the House had agreed to the amendments of the Senate to the joint resolution (H.J. Res. 504) to facilitate the admission into the United States of certain aliens.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 10586) making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FOGARTY, Mr. DENTON, Mr. FLOOD, Mr. MAHON, Mr. LAIRD, Mr. MICHEL, and Mr. BOW were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 2853. An act to amend title 17, United States Code, with relation to the fees to be charged;

H.R. 7888. An act providing for the extension of patent numbered D-119,187;

H.R. 8917. An act to provide for the disposition of funds appropriated to pay a judgment in favor of the Omaha Tribe of Nebraska, and for other purposes;

H.R. 9545. An act providing for the acquisition and preservation by the United States of certain items of evidence pertaining to the assassination of President John F. Kennedy;

H.R. 9778. An act to amend titles 10 and 37, United States Code, to codify recent military law, and to improve the Code;

H.R. 9867. An act to provide penalties for the use of the interstate route marker for commercial purposes;

H.R. 9877. An act to amend the act of January 30, 1913, as amended, to remove certain restrictions on the American Hospital of Paris;

H.R. 10206. An act to amend the Agricultural Adjustment Act of 1933, as amended, and reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended;

H.R. 10234. An act to amend section 1085 of title 10, United States Code, to eliminate the reimbursement procedure required

and in improving capabilities, techniques, and practices in law enforcement was capably managed by the very able junior Senator from Michigan [Mr. HART]. As the Senator from Michigan himself stated, great credit goes to the distinguished senior Senator from North Carolina [Mr. ERVIN], without whose assistance the bill might not have been presented to the Senate today. Other Senators from this side of the aisle assisted immeasurably in developing the features of this bill through cogent comments. I refer to the junior Senator from Utah [Mr. MOSS] and the junior Senator from Maryland [Mr. TYDINGS].

In typical bipartisan fashion, Senators from the other side of the aisle constructively aided in passage of this measure. The senior Senator from Nebraska [Mr. HRUSKA], the senior Senator from California [Mr. KUCHEL], and the senior Senator from New York [Mr. JAVITS] unselfishly and skillfully aided passage of the bill.

I congratulate each and every one of these Senators and the entire body for the fine step forward represented by passage of this measure.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

JUNIOR SCIENTISTS NOT JUVENILE DELINQUENTS

Mr. BYRD of West Virginia. Mr. President, the September 5 issue of the Sunday Charleston, W. Va., Gazette-Mail State magazine carried an article on the summer camp activities of budding West Virginia scientists representing 18 counties in my State. This article provides an effective assessment of the excellent work being conducted with youngsters through the West Virginia Appalachian Center at West Virginia University in Morgantown.

It is my belief that efforts such as this—designed to attract and develop the latent creative interests of early teenagers—offer a valuable means to insure that our Nation's youths swell the ranks of serious students rather than those of juvenile delinquents.

I ask unanimous consent to have this article, "Science Camps at Junior's Level," reprinted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

SCIENCE CAMPS AT JUNIOR'S LEVEL—18 COUNTIES SENT DELEGATES TO THEM THIS YEAR

(By Opal Ripley)

BECKLEY.—Budding scientists from 18 of the State's 55 counties, each with a keen curiosity and a fair share of technical ability, have attended youth science camps this summer.

Sponsored by West Virginia Appalachian Center, the camps were designed to stimulate, motivate, and inspire the 12- to 14-year-old youths to pursue their respective interests and create an awareness of the opportunities which exists through science.

Eight camp sites were selected this year for the program, after the trial runs in Barbour and Marion Counties in 1964. Fifty campers were selected for each camp. So far as is known, officials said, the county science camp is the first informal learning-camping situation of this nature throughout the country. The program was a takeoff of the National Youth Science Camp held at Camp Pocahontas since West Virginia's centennial year.

Area and county camps were conducted for the Jefferson-Berkeley-Morgan County area, Barbour-Taylor area, Nicholas-Parkersburg area (eight counties), Wetzel, Marion, Raleigh, and Greenbrier.

Instructors were picked on the basis of competency, enthusiasm for working with students and their ability to stimulate interest. They were given complete freedom to develop subject matter and set the pace at which it was taught.

Each of the camps were conducted in much the same fashion with the same instructors and equipment being moved from one camp to another. Likewise, the daily activities at the different camps followed a similar pattern.

All campers with a yen for hiking, were permitted to join in an hour-and-a-half jaunt starting at 6 a.m. each day.

"Those who lacked the enthusiasm to participate in the woodland treks, should have exerted some effort, since early risers generally were a noisy lot," instructors said.

The hikes were used for tabulating the number and species of birds in the camp areas. Also to study their characteristics and habits. The study of trees, the function of their different parts and the species common to different sections of the State, consumed part of the hike action daily.

Campers learned about fresh water biology, its importance to plants and animals, the difference in the anatomy of water and land animals and bacteria uses in making cheese and buttermilk. They also watched an egg hatch, observed electrical current being conducted from one point to another, and numerous other scientific experiments.

The university provided partially trained rats, which many campers used in experiments on animal behavior. Less than 2 days were required in some instances, for the young scientists to teach the black and white spotted rodents that certain signs meant mealtime, or that they must play a game of hide-and-seek for their food.

Field trips were the source for securing frogs and other amphibious creatures used for biological experiments. Baby chicks accepted various objects, other than a mother hen, for their companions during the demonstrations, and an authentic human skeleton was utilized in the study of biology.

While interests of the campers varied greatly, and leaned toward many different subjects, each of the seventh, eighth and ninth graders appeared to have in common, a built-in curiosity and an eagerness to know more about a singing computer which was demonstrated via a phonograph record. But instructors said, despite the miracle of the metal mind, the junior scientists offered suggestions that in all probability would have stumped the tin wizard.

Other equipment provided for the program included a small planetarium, telescopes for studying the stars, microscopes and other laboratory equipment.

Evaluation of the programs were conducted with the campers and instructors at the end of each camp. Data from the evaluation forms will be used to set up programs and

schedules for future camps, according to officials.

Except for the instructors' salaries, paid by the Appalachian Center, the camps were self-supporting. Each student paid a camping fee of \$20, if they were financially able. Others were provided with special scholarships, and no one was refused the opportunity to attend camp for financial reasons, Bill Clark, Raleigh County 4-H agent explained.

Oscar Hutchinson of Beckley, area director of Appalachian Center, said "we are thinking in terms of doubling the number of students and instructors for next year's science camps."

CANCELLATION OF BOBBY BAKER'S VENDING MACHINE CONTRACT WITH NORTH AMERICAN AVIATION

Mr. WILLIAMS of Delaware. Mr. President, today's issue of the New York Times contains an article which states that North American Aviation, Inc., has canceled its \$2½ million vending contract with Bobby Baker's Serv-U Corp. This action by North American Aviation, breaking with Bobby Baker's vending company, is long overdue, and I compliment them upon their decision even though it is coming late.

It is time for Northrop and other big defense contractors to take another look at their policies with regard to dealing with Mr. Baker.

In order to enable Mr. Baker's vending company to operate in plants doing defense work it was necessary that the Secretary of Defense grant "security clearance" to Baker's companies.

Certainly questions can properly be raised when "confidential security clearance" is granted so freely to a former public official who had taken the fifth amendment rather than answer questions concerning his work while serving as a public official.

These vending contracts have been the backbone of Baker's financial manipulations, and this could mark the collapse of his financial empire, just as the breaking of Government grain storage contracts with Billie Sol Estes marked the end of his financial success.

We can hope that this marks a turning point in the Johnson administration's relations with Baker. We can hope that this is an indication that there will be forthright investigation and prosecution of Baker and his associates.

For the good of the Nation, it is best that it be demonstrated that in the long run the actions of Bobby Baker did not pay. As long as Bobby Baker continued to hold the vending contracts with big defense contractors there was an impression that he could arrogantly defy the laws and the standards of propriety and get by. We can hope that this decision by North American to break with Bobby Baker will demonstrate again that the Bobby Bakers and the Billie Sol Estes cannot get by with their manipulations.

There can be no compromise with integrity in public office.

Mr. President, I ask unanimous consent that an article on this subject pub-

lished in today's New York Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BAKER WILL LOSE \$2.5 MILLION VENDING CONTRACT AT NORTH AMERICAN AVIATION
(By Richard Witkin)

Robert G. Baker's vending company has been notified that its food-dispensing contracts with North American Aviation, Inc., totaling about \$2.5 million a year, will be canceled this fall.

The decision by North American, a colossus of the missile-plane-space business, is generally regarded as the most serious possible financial blow that could have befallen Mr. Baker.

The former secretary of the Senate Democratic majority, who during his Senate career was considered an intimate of Lyndon B. Johnson, is understood to own 84 percent or more of the vending company, called the Serv-U Corp.

A report of the Republican minority of the Senate Rules Committee, which conducted a long investigation of Mr. Baker business affairs, stated:

"The backbone of Baker's financial empire was, and still is, Serv-U Vending."

Mr. Baker resigned from his \$19,600-a-year Senate post in October 1963, after the initial disclosure of his extracurricular business activities.

North American has hundreds of millions of dollars worth of contracts with the Defense Department and the National Aeronautics and Space Administration.

It is the builder of the three-man capsules in which astronauts will travel to the moon; liquid rocket engines for the Atlas and the B-70 experimental bomber.

A spokesman for the company, whose headquarters are in Los Angeles, said in a telephone conversation that North American had decided to own and operate its own vending machines.

He said a notice of intent to cancel had been sent not only to Mr. Baker's firm but also to Automatic Canteen, which has vending contracts with North American totaling about \$4 million a year.

Serv-U, starting from scratch at the end of 1961, built a business grossing more than \$3.5 million annually in less than 2 years.

BIGGEST CUSTOMER

North American has remained by far the biggest customer. Much of the rest of Serv-U's business is done with the Northrop Corp., another large aerospace company. Still a third, Space Technology Laboratories, has a small vending contract with the Baker company.

The big question now is how well Mr. Baker will be able to withstand the financial blow from the North American cancellation.

Serv-U, in addition to its vending business, is the owner of the Carousel Motel in Ocean City, Md. But Serv-U's purchase of the motel was reported at the Senate hearings to have been an effort to bail it out of financial difficulties. Whether business has improved in the interim is not known.

The Senate committee has issued two reports on the Baker investigation, with the Democratic majority and the Republican minority splitting acrimoniously in both cases.

On July 8, 1964, the first report said Mr. Baker was "guilty of many gross improprieties" but it did not find him guilty of breaking any laws.

The Republicans, in their dissent, accused the majority of refusing to explore leads that promised to shed important new light on Mr. Baker's activities.

The running debate was continued at high pitch during the Presidential contest between President Johnson and Senator Barry Goldwater.

The second report, issued June 30, used sharper language in regard to Mr. Baker. It also suggested that consideration be given to indicting him for violation of the conflict-of-interest laws in connection with an alleged payment of \$5,000 to him by a lobbyist backing legislation dealing with the licensing of ocean freight forwarders.

The senior Republican on the committee, Senator CARL T. CURTIS of Nebraska, characterized the second report, as he had the first, as a "whitewash."

There has been no report of what, if any, response there has been from the Government to the suggestion that an indictment on the alleged \$5,000 payment be considered.

Nor has there been any culmination of investigations of the Baker case begun early last fall by a Federal grand jury.

Mr. MONTROYA. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I promised to yield to the Senator from Nebraska. I yield to the Senator from Nebraska.

Mr. CURTIS. I commend the distinguished Senator from Delaware for his efforts to bring an end to the gross corruption that has been going on in the administration department of Government.

I invite attention to a significant paragraph found in the minority views of the last report on the Baker investigation. These views are signed by Senator JOHN COOPER, of Kentucky, Senator HUGH SCOTT, of Pennsylvania, and myself. In the report we say:

The backbone of Baker's financial empire was, and still is, the Serv-U Vending Co. It was through the vending business that Baker was able to acquire monthly cash kickbacks as well as inaugurate a highly profitable vending operation with defense contractors whose almost sole source of income was from the U.S. Government. It was in these vending operations that Baker became associated with questionable individuals who ranged from gamblers to those convicted of income tax evasion. Likewise, when Baker's Carousel Motel was in the midst of financial difficulties, it was his vending business that had the wherewithal to bail out the Ocean City property. Until such time as defense contractors such as North American Aviation and Northrop decide they no longer want to do business with Baker, his complex financial empire may continue.

Mr. President, I ask unanimous consent that the minority views in the last Baker report, which are found on pages 25 to 52, inclusive, and signed by the three minority members of the committee, be printed at this point in the RECORD. In making that request, I wish to exclude from the request any photoprinting of copies of exhibits that cannot be printed in the RECORD.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

MINORITY VIEWS

I. RESUME OF THE FIRST HEARINGS

Robert G. Baker was secretary to the majority of the U.S. Senate. He was elected to occupy this full-time \$19,000-per-year position by the Democratic Members of the Senate. In this job Baker possessed the most intimate knowledge of the probable success or failure of pending legislation to be considered by the Senate. Consequently, he became known in the words of a witness as a man "with innumerable friends and connections," and, as the investigation developed, generally those friends and connec-

tions had some special interest before the Senate or with the Government. Thus, when Baker's activities were brought under public scrutiny by Senator John Williams, and his friends and connections were of questionable character, it cast a shadow on the legitimacy of Baker's amassing a claimed net worth in excess of \$2 million while his Government salary, comparatively, remained so small.

The investigation disclosed that between January 1, 1959, and November 1, 1963, Baker participated in 65 loans wherein he borrowed at least \$2,784,520, which figure does not include loans to corporations in which he was personally interested. Likewise, the investigation revealed that he participated in the purchase of real estate worth \$1,634,000 and had available enormous amounts of cash and currency, some of which came from regular kickbacks.

The backbone of Baker's financial empire was, and still is, the Serv-U Vending Co. It was through the vending business that Baker was able to acquire monthly cash kickbacks as well as inaugurate a highly profitable vending operation with defense contractors whose almost sole source of income was from the U.S. Government. It was in these vending operations that Baker became associated with questionable individuals who ranged from gamblers to those convicted of income tax evasion. Likewise, when Baker's Carousel Motel was in the midst of financial difficulties, it was his vending business that had the wherewithal to bail out the Ocean City property. Until such time as defense contractors such as North American Aviation and Northrop decide they no longer want to do business with Baker, his complex financial empire may continue.

Baker had innumerable ventures not only with his fellow Senate employees, but also with individuals, corporations, and transportation companies having extensive dealings with the Federal Government. These ventures ranged from phenomenally profitable purchases of MGIC stock to more modest, in proportion, profits on the purchase and sale of Florida land. In almost every instance through information furnished by his "innumerable friends and connections" Baker had inside knowledge on which ventures would insure a profit. In some instances Baker ventured nothing. For example, in the Robert Thompson case he put up no capital nor shared a risk, yet was permitted by his benevolent Murchion representative to reap an extraordinary profit.

Baker was in the insurance business with Don Reynolds. The investigation of the relationship between these two men uncovered startling revelations. For instance, through Baker, Reynolds was allowed to write the performance bond on the District of Columbia Stadium which is discussed hereafter in more detail. Likewise through Baker, Reynolds was able to write the life insurance policies on the then Senator Lyndon B. Johnson. It was the writing of these insurance policies that led to the gift to the then Senator Johnson of the stereo set, and the revelation that Reynolds was pressured by Baker and Walter Jenkins into the purchase of advertising time over KTBC-TV in Austin, Tex. Moreover, it was in part the circumstances surrounding the insurance policies and the TV time which led to the necessity of acquiring testimony from then Presidential Aid Walter Jenkins.

The committee's record is full of instances where Baker took pains to disguise his interests and conceal his activities. Ernest Tucker, Baker's law partner, held in trust Baker's shares of stock in Serv-U. Likewise, it was the use of interim transfers through Tucker and others that resulted in Baker concealing the racial restrictive covenant on his fashionable Spring Valley home. Baker concealed his true net worth by filing a false

escalation clause was dropped. It is true that the union received some benefits in exchange from the standpoint of the companies' assuming the cost of the premiums on the insurance cost of the contract. However, there is no doubt that the steelworkers also, because of the increase in the cost of living since that settlement, have suffered considerable loss.

Let it be said that the settlement in the steel case is less than the settlement in the automobile case. Let it be said also that another comparable major industry that confronted the negotiators was the aluminum industry. That industry holds a collective bargaining agreement with the same union that holds the agreement in the steel industry. The aluminum settlement was better, from the standpoint of an increase in basic wages, than was reached in the settlement of the steel case. There is still another comparable industry that I would mention that created problems for the negotiators and that is the industry that involves the manufacturing of metal cans. This industry holds a collective bargaining agreement with the same union as in the case of the steel industry. The basic wage settlement was a better settlement, so far as increases are concerned, than that in the steel industry.

In fairness to the steel companies, I wish to say that for some time the average hourly wage in the steel industry has been higher than the average hourly wage in most of the other major industries.

What the negotiators were confronted with primarily was a fair consideration of the so-called historic inequities and a consideration of the pattern of settlement in the other comparable major industries.

I believe they did a magnificent job from the standpoint of equity and fairness to both the companies and the union in leading the parties to this settlement. It was fair and just. It did not do any violence to the guidelines, when we take into account the fact that we are dealing with fringe benefits and historic inequities as well as basic wage increase problems.

Mr. President, I wished to speak on this matter today because I have discovered some aspects of the situation which are not thoroughly understood by some writers whose articles I have read. I do not say that we should expect them to understand these matters fully, because they could not possibly have had all the facts available to them that confronted the President, the Secretary of Labor, and the Secretary of Commerce. I think a remarkable job of fair reporting on the whole has been done in view of the fact that this was one of the most complex cases that it has ever been my experience to study.

I decided to make this report today because I wanted to assure the American people that they have every reason to be exceedingly proud of the industrial statesmanship of the President of the United States, as he manifested it in his historic negotiations in connection with this case.

I should like to say also to labor and to management that they would make a great mistake if they were to look upon the steel case as a precedent for presidential intervention in major labor disputes in the future. They owe it to their country and to their President to make voluntary collective bargaining work without making it necessary for the Federal Government to find it necessary to intervene in order to protect the public interest.

It was only because of the extraordinary situation that confronted our country in respect to the continued manufacture of steel that Governor Collins and I felt that the circumstances warranted our very strong recommendation of Presidential intervention.

I shall always be satisfied to stand on the joint recommendation that Governor Collins and I made to the President and his advisers. And I shall always be proud that on the basis of that recommendation the President independently made his own choice, which was to intervene and to help lead the parties to a successful determination of the dispute in the steel industry.

A further comment I wish to make is in regard to those who might say they would change a comma, or modify a cross on a "T" in the provisions of the settlement of the dispute. My question to them is: Where would the country and its economy and security interests be, if the parties to the dispute had not finally agreed to accept the suggestions made to them by the President of the United States, the Secretary of Commerce, and the Secretary of Labor? The country would be in the throes of an approaching economic crisis, for it is true that as the steel industry goes, so goes the economy of America.

In closing, I express my highest compliments to Conrad Cooper, the chief negotiator for the steel industry, and Abe Abel, president of the United Steelworkers of America. I know dedicated service when I see it. I know when two men of widely different points of view in regard to a given dispute both come to recognize that the general public which was third party to the dispute as I said on the floor of the Senate last week, must prevail over the partisan interests of the steel companies and the steelworkers union. They placed their patriotism and their devoted interest in America's welfare first. The reason why there is a steel agreement is that they acceded to the President's suggestions. They compromised their differences and signed their names to an agreement, which was fair, equitable, and just.

I express for the RECORD my high commendation of the President, the Secretary of Labor, Mr. Wirtz; the Secretary of Commerce, Mr. Connor; as well as to Mr. Cooper, and Mr. Abel, for their demonstration of industrial statesmanship of the highest order.

Mr. HART. Madam President, all Senators are grateful to the senior Senator from Oregon for the analysis he has given of the events associated with the settlement of the steel dispute.

With the senior Senator from Oregon,

I express the deepest appreciation to the President of the United States for the industrial statesmanship he has demonstrated.

I know that the people of the country wish that problems like these would never develop. In some segments of the community, there is the notion that if we would only put our minds to it, they never would develop. In other segments of the community there are those who feel they have absolute lead-pipe cinches as to how we should approach these situations.

Whether collective bargaining has been advanced or damaged by these events will long be the subject of debate and dispute. But the security and economic strength of the United States, which are the overriding concern, have been advanced, and I am satisfied that that will be the verdict of history.

There is sometimes an unthinking attitude to say to the two parties at a bargaining table, the representatives of management and the union, "You should resolve this dispute in the light of the public interest."

The question that confronts America, one which is of extremely difficult dimension, is whether the time is approaching when in the industries where the strength of the Nation is so vitally involved it is reasonable to expect of either party that he is voicing the public interest. Both parties to the dispute feel they represent the public's interest.

But let us be honest in acknowledging that the spokesman for management has the concern and responsibility, first of all, as the management spokesman, to management; and his second concern is profits. There is nothing wrong with that.

The union man has his obligation, first of all, to his membership. That is a matter of wages and working conditions.

How do we build in the public interest to this kind of situation in the months and years ahead?

I feel that the report given us by the senior Senator from Oregon confirms the elation that the Nation felt and the appreciation it would want us to voice for it to the President for his statesmanlike timing of intervention which has served the long-term interest of America and the rest of the free world.

Mr. McNAMARA. Madam President, I am sure we all rejoice in the fact that a major steel strike has been averted.

Moreover—according to the announced terms of the settlement—labor-management peace in the industry seems to be assured for the next 35 months.

A tieup of any length in the steel industry, of course, could have had a serious disruptive effect on the national economy, which is continuing its unprecedented climb.

No one realized the consequences more than did President Johnson. He first made available to the parties the full Federal mediation machinery.

As the strike deadline drew nearer, the President exercised his famous persuasive powers to convince both sides that a short delay might mean a mutual

settlement without any strike. The delay was agreed upon.

During the day and night hours of intensive bargaining that followed President Johnson personally met with the parties and urged them to explore every avenue of accord. He assigned Labor Secretary Willard Wirtz and Commerce Secretary John Connor to maintain intimate contact with each side.

The contract agreement that resulted reflected this intense concern on the part of the administration to avert a steel dispute.

In the end it was accomplished without a strike. It was accomplished without turning to recourse to the injunctive process under Taft-Hartley.

And, most importantly, it still was accomplished through free collective bargaining.

The settlement is a tribute to President Johnson and his administration. But it also is a tribute to the managements and the labor organization for their willingness to continue bargaining.

The prosperity of the Nation is the beneficiary.

EXTENSION AND EXPANSION OF INTERSTATE HIGHWAYS VITAL TO TRAFFIC SAFETY

Mr. HARTKE. Madam President, the casualty list of Americans murdered in Labor Day highway accidents continues to mount.

While the Nation casts an apprehensive eye toward Vietnam, while Florida and the other southeastern States claim the headlines under the ravages of hurricane Betsy, the less spectacular compendium of holiday traffic death lists is accepted as a byproduct of today's way of life.

Or, our "way of death," if you prefer.

I, for one, am appalled that so many of us should sit by and accept highway slaughter as a "way of life." At my request, the Bureau of Public Roads has reported to me today that of its reported 541 Labor Day traffic fatalities in the 50 States and the District of Columbia, only 27—or fewer than 5 percent—occurred on interstate highways.

Earlier in this session, I introduced S. 1272, a bill to provide for the extension of the Interstate Highway System. In advocating the construction of 60,000 miles instead of the presently designated 41,000 miles of interstate highways, I have contended that three times fewer accidents per million miles occur on safely designed interstate highways than on other roads. Everytime 5 miles of interstate highway are opened for traffic, another life a year is saved.

Further, in S. 1976, I submit that the repeal of restrictions on highway construction until moneys are a hand would speed up construction of interstate highways, with a consequent saving of American lives in the process.

There is a story heard in Washington that one of our Government officials was remonstrating with a member of an Iron Curtain government that little interest was taken with the numbers of persons dying of malnutrition in that country. The Iron Curtain national looked our

man straight in the eye and said something like this: "But what are you doing about your traffic accident death tolls? They are as much a product of your economy as our starvation is of ours."

Yes, what are we doing? The completion of a safer interstate highway system would save as many as 8,000 fatalities a year. This year. Next year. And the year after that.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Madam President, I ask unanimous consent that when the Senate completes its business this afternoon, it stand in recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. - Without objection, it is so ordered.

OMISSION OF MORNING BUSINESS ON THURSDAY

Mr. MANSFIELD. Madam President, I announce that there will be no morning hour tomorrow and that at the conclusion of the morning prayer the debate on the farm bill will be started by the distinguished Senator from Louisiana [Mr. ELLENDER].

COMMITTEE MEETINGS DURING SENATE SESSIONS THIS WEEK

On request of Mr. MANSFIELD, and by unanimous consent, all committees of the Senate were authorized to meet during the sessions of the Senate this week.

CERTAIN INCREASES IN ANNUITIES PAYABLE FROM THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The Senate resumed the consideration of the bill (H.R. 8469) to provide certain increases in annuities payable from the civil service retirement and disability fund, and for other purposes.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the debate on the pending bill be limited to 2 hours, to be equally divided between the majority and the minority leaders, or whomever they may designate, and to one-half hour on each amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. YARBOROUGH. Madam President, I send to the desk an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 3, line 14, it is proposed to strike out the quotation marks, and on line 22 strike out the quotation marks and the semicolon.

Mr. YARBOROUGH. Madam President, I ask unanimous consent that an analysis of H.R. 8469, as reported, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The analysis of H.R. 8469 is as follows:

ANALYSIS OF H.R. 8469, AS REPORTED

Section 1(a) redefines the Consumer Price Index to mean the monthly price average instead of the average over a full calendar year.

Section 1(a) also defines a new term, "base month" to mean the month referred to for determining an increase in annuities after the first increase granted by this act.

Section 1(b) would allow the Commission to use money in the retirement fund to pay the administrative expenses of increasing annuities instead of paying such expenses out of the Commission's budget.

This language is considered necessary because of the virtual impossibility of determining when a future increase will occur. Without adequate funds to pay the salaries and other expenses of administering an increase, delay in providing the increases could occur.

Section 1(c) increases the annuities of all persons who are entitled to receive a civil service annuity on the effective date of this act:

1. All annuities which commenced (or, if a survivor annuity are based on annuities which commenced) on or before October 1, 1956 (the date of the major amendments to the retirement act), shall be increased by 6.5 percent of the annuity plus the increase in the cost of living as reflected in the Consumer Price Index from December 31, 1962, until the latest report of the Bureau of Labor Statistics. This will be an additional 4.5 percent, for a total increase of 11 percent.

2. All annuities which commenced after October 1, 1956, shall be increased by 1.5 percent plus the same increase in the cost of living noted immediately above. This will be a total increase of 6 percent.

Section 1(c) guarantees that any survivor whose annuity is based on the "free survivor annuity" language of the 1948 amendments or the "forgotten widow annuity" language of the 1958 amendment shall be increased by 15 percent of the annuity or \$10, whichever is the lesser.

Section 1(c) provides that the new "base month" for determining future increases shall be the month which showed the highest percentage increase in the cost of living over 3 percent during a period of 3 consecutive months which showed an average increase of at least 3 percent.

Existing law on the cost-of-living increase in retirement annuities provides that the Commission shall determine annually whether the cost of living has increased at least 3 percent from the base year (now 1962) until the year of the determination. If the increase is not 3 percent, the Commission waits until the following January 1 for another determination.

If the average increase is 3 percent, all annuities which commenced before January 2 of the preceding year are increased on April 1 following the determination. Under present law, therefore, there is a built-in, 15-month lag.

Section 1(a) changes this by providing for a monthly determination instead of an annual determination. Whenever the cost-of-living index shows for 3 consecutive months a rise of at least 3 percent from the "base month," annuities payable on the first day of the third month thereafter shall be increased by the highest percentage (to the nearest tenth) shown in any one of the 3 months. That month then becomes the new base month.

Section 1(c) (1) clarifies present law on the eligibility for receiving an annuity increase, eliminates the 15-month lag in receiving increases, and guarantees that survivor annuitants shall receive the increases previously received by the annuitant himself under this act up to the time of his death.

Section 1(c) (2) provides that the children survivors of deceased Federal employees who in the future will receive an annuity shall

My second bill directs the Secretary of the Interior to enter into research and demonstration projects to develop the technical and economic feasibility of underground transmission. Working with the 21,000 miles of overhead transmission facilities under his jurisdiction and in cooperative projects with the 1,000 public and cooperative utilities, the Secretary will undertake the experimental and demonstration projects in actual installation of underground facilities.

Ten years ago the utilities were fighting efforts to make them put distribution lines underground. They reported that such installations cost 10 times as much as overhead lines and were uneconomic.

In this case they lacked the Federal protection and, under pressure from local zoning ordinances, they quickly learned cost-saving techniques. Today, these utilities boast that they have reduced the cost ratio to less than 1½ to 1 and they vie with each other in praise of their efforts at beautification.

The same can be accomplished for transmission lines.

My bill calls for the expenditure of \$150 million on this project over the period of 10 years—average of \$15 million a year.

Experience has shown us the folly of "penny wise, pound foolish" spending on important national programs such as this. When the Federal Highway Act was passed in 1950, there were many who urged that it include additional appropriations for cleaning up, restoring and beautifying our highways. They were not heeded. In this session of Congress we are asked to spend about \$90 million a year to correct what could have been prevented by modest expenditures 15 years ago. When will we learn to act in time?

Overhead transmission lines pose a problem that deserves forceful and immediate action by the Federal Government. With increasing frequency American citizens are turning to the Federal Government—to administration officials, to the Federal courts and to Congress—for help in defending their homes and property against defacement and devaluation.

Can they be anything but disillusioned and discouraged to find that the Government that speaks of natural beauty, that calls for action, is unwilling or unable to act?

In February, President Johnson said:

I am hopeful that we can summon such a national effort. For we have not chosen to have an ugly America. We have been careless, and often neglectful. But now that the danger is clear and the hour is late this people can place themselves in the path of a tide of blight which is often irreversible and always destructive.

Mr. President, I ask unanimous consent that the bills may be printed in the RECORD and held at the desk until September 15 for additional cosponsors.

The PRESIDING OFFICER. The bills will be received and appropriately referred, and, without objection, the bills will be printed in the RECORD and held at the desk, as requested by the Senator from Oregon.

The bills, introduced by Mrs. NEUBERGER, were received, read twice by their titles, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 2507. A bill to authorize the Secretary of the Interior to conduct a program of research regarding overhead electric transmission lines and the effect of such lines upon the health and welfare of citizens, community planning and zoning, real estate values and tax revenues, and the natural beauty of our country:

S. 2507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That overhead electrical transmission lines are a source of danger to the lives, health, and property of citizens; such lines damage scenic assets, disrupt community planning efforts, destroy public confidence in zoning, and reduce property values and real estate revenues; and the rapid growth of such lines, which generally are a part of or otherwise affect interstate commerce, poses a problem of the utmost urgency to the Nation.

SEC. 2. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") shall undertake a program of research to determine the extent of the economic and other damage that has resulted and will result from overhead transmission lines in the United States, giving particular consideration to the impact of such lines upon scenic assets, zoning and planning and public confidence therein, property values, real estate revenues, and the natural beauty of the Nation, and such other factors as he deems relevant.

(b) In connection with the program under subsection (a), the Secretary shall—

(1) conduct such research as may be necessary to develop objective standards for measuring the economic values of scenic assets, particularly in regard to land values, tax revenues, recreational potential, and the health and welfare of citizens; and

(2) gather such information as may be necessary to project the extent of future construction of overhead transmission lines.

SEC. 3. For the purposes of this Act, the Secretary is authorized—

(1) to engage or contract with engineers, scientists, and such other personnel as may be considered necessary, and with educational institutions, scientific organizations, and industrial or engineering firms deemed suitable, to carry out any part of the research or other related work; and

(2) to cooperate with the Federal Power Commission, the Atomic Energy Commission, the Department of Commerce, and any other Federal, State, or municipal department, agency, or instrumentality, and with any private person, firm, educational institution, or other organization.

SEC. 4. The Secretary shall submit to the President and the Congress within six months after the date of the enactment of this Act a report on the research program under this Act, together with such recommendations for legislative and other action as he deems appropriate, and shall make such report available to the public at cost.

SEC. 5. There are authorized to be appropriated such sums, not in excess of \$200,000, as may be necessary to carry out this Act.

S. 2508. A bill to authorize the Secretary of the Interior to conduct a program of research and development to encourage the use of underground transmission of electrical power and to undertake projects to evaluate and demonstrate the economical and technical feasibility of such transmissions:

S. 2508

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Underground Power Transmission Act of 1965".

SEC. 2. The Congress finds and declares that the growing number of high-tension powerlines and towers supplying electrical power to meet the ever-increasing demands of our technological society results in economic damage and loss to property owners; that these powerlines and towers are destroying precious reserves of open space; that they are unnecessarily defacing scenic beauty, and marring public parks and historical and religious shrines; that they are weakening local zoning and planning efforts and needlessly reducing property values and local real estate revenues, and are a source of grave and continuing danger to the lives and safety of citizens; and that they generally are a part of or otherwise affect interstate commerce. It is therefore of the greatest importance that economically and technically feasible methods be developed to transmit electrical power by underground or other suitable means not requiring the installation of towers and the defacement of property, and it is the purpose of this Act to assist in the development of such methods.

SEC. 3. The Secretary of the Interior (hereinafter referred to as the "Secretary") shall undertake research programs to develop economically and technically feasible methods of transmitting power underground or by such other means as would accomplish the purpose of this Act. In carrying out this section the Secretary is authorized—

(1) to conduct research, technical development work, and engineering studies to determine optimum design and conditions of operation, and the most economical methods of construction and operation;

(2) to acquire, by purchase, license, lease, or donation, such processes, technical data, inventions, patent applications, patents, licenses, land and interests in land, facilities, and other property or rights as are required for the purpose of this Act;

(3) to engage, or contract with engineers, scientists, and such other personnel as may be considered necessary, and educational institutions, scientific organizations, and industrial or engineering firms deemed suitable, to carry out any part of the research or other related work, and to the extent appropriate to correlate and coordinate their efforts; and

(4) to cooperate with any other Federal, State, or municipal department, agency, or instrumentality, and with any private person, firm, educational institution, or other organization, in effectuating the purpose of this Act.

SEC. 4. The Secretary shall also undertake projects to ascertain and demonstrate the reliability, safety, and engineering and economic feasibility and potential of underground transmission of power. In carrying out this section the Secretary is authorized—

(1) to provide for the construction, operation, and maintenance of underground transmission facilities by the Department of the Interior to demonstrate and evaluate programs and techniques in furtherance of the purpose of this Act;

(2) to enter into contracts with public, private, or cooperative power producers for the construction, operation, and maintenance of demonstration facilities, with the requirement that each contractor compile complete records as required by the Secretary and make such records available to the Secretary upon demand; and

(3) to dispose of demonstration facilities which are no longer needed for the purposes of this Act and are surplus to the needs of the Federal Government, in such manner as will promote the purpose of this Act. The

terms of any such disposal shall provide for a fair return on the Federal investment, and preference shall be given to units of State and local government and nonprofit and cooperative power companies.

Sec. 5. In carrying out the provisions of this Act, the Secretary is further authorized—

(1) to make grants and enter into contracts or cooperative agreements with public or private agencies or organizations, and with individuals;

(2) to accept and use donations of funds, property, and personal services or facilities;

(3) to accept financial and other assistance from any State or public agency in connection with the purposes of this Act, and any funds so provided shall be available for expenditure as if they had been specifically appropriated;

(4) to acquire lands or interests in lands by donation, acquisition with donated funds, devise, or exchange for acquired land or public lands under his jurisdiction which he finds suitable for disposition; and

(5) to issue such regulations as he deems necessary with respect to the administration of land, facilities, or projects under his jurisdiction in furtherance of the purpose of this Act.

Sec. 6. The Secretary shall retain sole authority for the direction of programs and projects undertaken under, or in any way supported by or financed under, the provisions of this Act.

Sec. 7. All information and data resulting from programs and projects described in section 6 shall be made available to the public, and access by the public to demonstration facilities under the jurisdiction of the Secretary shall be assured during all phases of construction and operation, subject to such reasonable restrictions as to time and place as the Secretary may require or approve.

Sec. 8. The Secretary shall make a report to the President and the Congress at the beginning of each regular session of Congress on the programs, projects, and other activities undertaken or instituted by him under the provisions of this Act. In these reports the Secretary shall recommend such further legislation regarding research, demonstration, or standards of operation as he deems necessary to achieve the purpose of this Act.

Sec. 9. The authority granted the Secretary under this Act shall terminate on July 31, 1975.

Sec. 10. There are authorized to be appropriated such sums, not in excess of \$150,000,000, as may be necessary to carry out this Act.

PRINTING OF REVIEW OF REPORTS ON ST. FRANCIS RIVER DRAINAGE DISTRICT NO. 7, POINSETT COUNTY, ARK. (S. DOC. NO. 57)

Mr. McNAMARA. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated August 31, 1965, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the reports on St. Francis River, Drainage District No. 7 of Poinsett County, Ark., requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD AND AGRICULTURE ACT OF 1965—AMENDMENTS

AMENDMENT NO. 432

Mr. TALMADGE. Mr. President, for myself, and for the distinguished junior Senator from North Carolina [Mr. JORDAN], the distinguished junior Senator from South Carolina [Mr. RUSSELL], the distinguished junior Senator from Alabama [Mr. SPARKMAN], and the distinguished senior Senator from Alabama [Mr. HILL], I send to the desk an amendment to the bill (H.R. 9811), the Food and Agriculture Act of 1965. I ask unanimous consent that the amendment be printed in the RECORD, together with a brief explanation of the amendment; and further ask unanimous consent that it be ordered printed and lie on the desk.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment and explanation will be printed in the RECORD.

The amendment (No. 432) is as follows:

Strike out all of pages 104, 105, and 106 and insert in lieu thereof the following:

"TITLE VI—COTTON

"Sec. 601. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(1) Section 348 of the Act is amended by adding the following new sentences at the end thereof: 'The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to the 1966 crop cotton.'

"(2) Section 346 of the Act is amended by adding at the end thereof a new subsection as follows:

"(e) Notwithstanding any other provision of this Act, for the 1966, 1967, 1968 and 1969 crops of upland cotton, if the farm operator elects to forgo price support for any such crop of cotton by planting an acreage not exceeding 50 per centum in excess of the farm acreage allotment established under section 344, all cotton of such crop produced on the farm may be marketed free of any penalty under this section: *Provided*, That the foregoing shall be applicable only to farms for which farm acreage allotments were established for 1965 and the farm operator for the current year was the operator of such farm for 1965 or has acquired such farm by inheritance from the operator since such year. The operator of any farm who elects to forego price support for any such year under this subsection shall not be eligible for price support on cotton on any other farm in which he has a controlling or substantial interest as determined by the Secretary. Acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall not be taken into account in establishing future State, county and farm acreage allotments.'

"(3) Section 350 of the Act is amended, effective with the 1966 crop, to read as follows:

"Sec. 350. In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103(d) of the Agricultural Act of 1949, as amended, the Secretary shall determine a national domestic allotment for the 1966, 1967, 1968 and 1969 crops of upland cotton equal to the estimated do-

mestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced. The Secretary shall determine a farm domestic acreage allotment percentage for each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield. The farm domestic acreage allotment shall be established by multiplying the farm acreage allotment established under section 344 by the farm domestic acreage allotment percentage: *Provided*, That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment: *Provided further*, That, except for farms the acreage allotments of which are reduced under section 344(m), the farm domestic allotment shall not be less than the smaller of 10 acres or the farm acreage allotment established under section 344. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced.'

"Sec. 602. Section 103 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection at the end thereof:

"(d) (1) Notwithstanding any other provision of this Act, if producers have not disapproved marketing quotas, price support shall be made available for the 1966, 1967, 1968, and 1969 crops of upland cotton as provided in this subsection.

"(2) Price support for each such crop of upland cotton shall be made available to cooperators through loans at such level, not exceeding 90 per centum of the estimated average world market price for Middling one-inch upland cotton at average location in the United States for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act:

"*Provided*, That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

"(3) The Secretary shall provide additional price support for each such crop through payments in cash or in kind to cooperators at a rate not less than 9 cents per pound: *Provided*, That the total of the national average loan rate for any crop under paragraph (2) and the rate at which payments are made under this paragraph shall not be less than 65 per centum or more than 90 per centum of the parity price for cotton. Such payments shall be made on the quantity of cotton determined by multiplying the projected farm yield by the acreage planted to cotton within the farm domestic acreage allotment: *Provided*, That any such farm planting not less than 90 per centum of such domestic acreage allotment shall be deemed to have planted the entire amount of such allotment.

"(4) The Secretary shall also make price support payments in cash or in kind in addition to the payments authorized in paragraph (3) to cooperators who reduce their cotton acreage by diverting a portion of their cotton acreage allotment from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided*, That the total reduction in such cotton acreage shall not exceed 35 per centum of the farm acreage allotment, but no reduction shall be required on small farms with minimum domestic acreage allotments under section 350 of the

Agricultural Adjustment Act of 1938, as amended. The rate of payment under this paragraph shall be such rate as the Secretary determines to be fair and reasonable, but shall not be less than 50 per centum of the national average loan rate established under paragraph (2). Such payment shall be made on a quantity of cotton determined by multiplying the acreage diverted from the production of cotton by the projected farm yield, except that payment to small farms with minimum domestic acreage allotments under section 350 of the Agricultural Adjustment Act of 1938, as amended, shall be made on a quantity of cotton determined by multiplying an acreage equal to 35 per centum of such farm domestic acreage allotment by the projected farm yield.

"(5) The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance and the balance of such payments shall be made as soon after determination of performance as practicable.

"(6) Where the farm operator elects to participate in the acreage reduction program authorized in this subsection and no acreage is planted to cotton on the farm, price support payments for the 1966 crop shall be made at a rate equal to 50 per centum of the national average loan rate established under paragraph (2) on the quantity of cotton determined by multiplying 15 per centum of the farm acreage allotment by the projected farm yield, and the remainder of such allotment may be released under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended: *Provided*, That for the 1967, 1968 and 1969 crops such rate of payment shall be that which the Secretary determines to be comparable to the rate of payment under paragraph (4). The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county and farm acreage allotments and farm bases.

"(7) Payments in kind under this subsection shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary at a value per pound equal to not less than the current loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

"(8) Payments under paragraphs (4) and (6) of this subsection shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (1) the reduction in cotton acreage required to qualify for payments under paragraph (4) or the acreage with respect to which payments are made under paragraph (6), as the case may be, and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: *Provided*, That the Secretary may permit all or any part of such reduced acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price-support program, and will not adversely affect farm income.

"(9) The acreage regarded as planted to cotton on any farm which qualifies for payment under paragraph (4) of this subsection shall, for purposes of establishing future State, county and farm acreage allotments

and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m)(2) thereof.

"(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis in price support under this subsection.

"(11) Notwithstanding any other provision of this section, the amount of price-support payments made with respect to any farm may be adjusted for failure to comply fully with the terms and conditions of the program formulated pursuant to this subsection.

"(12) Notwithstanding any other provision of this Act, if as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of combined price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to cooperators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefor and resale at a lower price therefor lower than the amount of the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

"(13) An acreage on a farm in any such year which the Secretary finds was not planted to cotton because of drought, flood or other natural disaster shall be deemed to be planted to cotton for purposes of payments under this subsection if such acreage is not subsequently devoted to any price supported crop in such year.

"(14) Section 408(b) of the Agricultural Act of 1949, as amended, is amended by changing the period at the end of the first sentence thereof to a colon and adding the following: "*Provided*, That for upland cotton a cooperator shall be a producer on whose farm the acreage planted to such cotton for the 1966 crop does not exceed 90 per centum of such farm acreage allotment and for the 1967, 1968 and 1969 crops does not exceed such percentage, not less than 90 or more than 100 per centum, of such farm acreage allotment as the Secretary may determine, except that this proviso shall not apply to any farm receiving a minimum farm domestic acreage allotment under section 350 of the Agricultural Adjustment Act of 1938, as amended."

"(15) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments) shall also apply to payments under this subsection."

"Sec. 603. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended, by adding the following new subparagraphs to paragraph (13) of subsection (b):

"(L) "Projected National, State, and county yields" for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop in the United States, the State and the county, respectively, during each of the five calendar years imme-

diately preceding the year in which such projected yield for the United States, the State, and the county, respectively, is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices.

"(M) "Projected farm yield" for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (I) of this paragraph."

"Sec. 604. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970 (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly."

The explanation presented by Mr. TALMADGE is as follows:

SUMMARY OF PROPOSED SUBSTITUTE TITLE VI IN H.R. 9811 AS REPORTED BY THE SENATE COMMITTEE

The substitute would provide a cotton program as follows:

1. Four-year cotton program applicable to the 1966, 1967, 1968, and 1969 crops.

2. Price support loans to cooperators at not more than 90 percent of the estimated average world market price for Middling 1-inch cotton at average location in the United States for the marketing year for such crop, as determined by the Secretary of Agriculture. For the 1966 crop the loan rate would be 21 cents.

3. Minimum national acreage allotment of 16 million acres. State, county, and farm acreage allotments established as under current procedures. Present provisions of law regarding release and reapportionment of farm allotments would continue in effect.

4. A farm domestic allotment percentage would be established on the basis of the estimated domestic consumption of cotton and the total allotted acreage. This percentage, which cannot be less than 65 percent, would be applied to the farm acreage allotment (after release and reapportionment) but farms not releasing acreage allotments would receive a minimum domestic allotment of the smaller of 10 acres or the farm acreage allotment.

5. Additional price support above that provided by the basic loan level would be available to cooperators, i.e., producer on whose farm the acreage planted to cotton does not exceed 90 percent (90 to 100 percent for 1967, 1968, and 1969) of the farm acreage allotment. Payments, in cash or in kind, would be made to cooperators on the

basis of participation (i) in the cotton acreage reduction program and (ii) in diversion from the production of cotton to approved conservation practices. Payment at the rate of not less than 9 cents per pound would be made on the acreage planted up to the farm domestic acreage allotment. This payment, when added to the national average loan rate, would provide price support at not less than 65 percent of parity for cotton. Additional payments would be made to cooperators who divert an acreage up to 35 percent of the farm acreage allotment. This diversion payment would be at a rate not less than 50 percent of the loan rate for cotton and the amount of payment would depend upon the extent of diversion, as the amount would be determined by multiplying the rate of payment by the projected yield of the acres diverted. Small producers, i.e., those receiving minimum farm domestic acreage allotments of the smaller of 10 acres or the farm acreage allotment, would receive the diversion payment without being required to reduce their cotton plantings.

6. If no cotton is planted on the farm, payment would be authorized at a rate comparable to the diversion rate but would be 50 percent of the loan rate for the 1966 crop. The amount of payment would be figured on the quantity of cotton determined by multiplying the rate of payment by the projected farm yield on 15 percent of the farm acreage allotment.

7. For purposes of establishing future State, county and farm acreage allotments and farm bases, the full farm acreage allotment would be regarded as planted to cotton if the farm qualifies for payment, except that under item 6 only the acreage on which payment is made (15 percent of the farm acreage allotment) will be regarded as planted to cotton on the farm; however, further protection of history for such farm may be accomplished by releasing up to 85 percent of the farm acreage allotment.

8. Payments would be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for such payments (15 percent in the case of a farm on which no cotton is planted) and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices during a base period. The Secretary could permit planting of designated minor crops.

9. Not to exceed 50 percent of the payment for a farm could be made to producers in advance of the determination of performance on the farm and the balance when performance is checked.

10. CCC would redeem payment-in-kind certificates for cotton valued at not less than the loan rate therefor and would be authorized to assist producers in the marketing of certificates. CCC would be required (a) to sell cotton for unrestricted use at the same prices as it sells cotton for export, but in no event at less than 110 percent of the loan rate, and (b) to sell or make available for unrestricted use at current market prices in each marketing year a quantity of cotton equal to the amount by which production is less than estimated domestic consumption and exports.

11. A farm operator could elect to forgo price support loans and payments for any crop year and plant cotton in excess of the farm acreage allotment by as much as 50 percent without incurring marketing quota penalties. This election by the farm operator could be made only for a farm which received a 1965 farm acreage allotment and for which the farm operator for the current year was the operator in 1965 or is the heir of such operator. If an operator so elects to forgo price support on a farm, he would not be eligible for price support on any other farm in which he has a controlling or substantial interest as determined by the Sec-

retary. Excess acreage so planted would not be taken into account in establishing future State, county and farm acreage allotments.

12. To facilitate transition from the equalization payment program in effect through July 31, 1966, to the new program, the Secretary would be authorized to extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or to make payments on raw cotton from the 1965 or prior crops held by cotton handlers at the rate in effect on such date.

13. Any producer who was prevented from planting cotton because of flood, drought, or other natural disaster would be deemed to have planted cotton for payment purposes provided the acreage was not subsequently planted to any price supported crop for the year involved.

14. "Projected yields" per acre would be used as the basis for making payments. Generally, such yields would be higher than "normal yields" now in use. The projected yield for a farm would not, however, be less than the farm normal yield.

15. If for any year during the 4-year period the Secretary is unable to make payments as planned, he would be authorized to alter the program and carry out price support provisions through loans or by purchase and resale.

16. Payments earned by farmers could be assigned to persons from whom crop production loans are obtained.

AMENDMENTS NOS. 433 AND 434

Mr. CARLSON submitted two amendments, intended to be proposed by him, to House bill 9811, the Food and Agriculture Act of 1965, which were ordered to lie on the table and to be printed.

AMENDMENT NO. 435

Mr. BASS submitted an amendment, intended to be proposed by him, to House bill 9811, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 436

Mr. JAVITS, Mr. President, on behalf of the Senator from Delaware [Mr. Boggs], the Senator from Texas [Mr. Tower], and myself, I submit an amendment, intended to be proposed by us, jointly, to House bill 9811, the Food and Agriculture Act of 1965. I ask unanimous consent that the amendment be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 436) is as follows:

At the end of the bill add a new title as follows:

"TITLE VIII—ESTABLISHMENT OF COMMISSION ON UNITED STATES FOOD AND FIBER POLICY"

"Declaration of policy and purpose"

"SEC. 801. It is hereby declared to be the policy of the Congress to promote the effective utilization of the agricultural production of the United States so that (1) the markets for United States agricultural commodities, insofar as possible, will be competitive in the markets for such commodities in the world, (2) the present and future requirements for such agricultural commodities in the United States and the world can be fully met, (3) the interests of taxpayers and consumers may be fairly safeguarded, and (4) the producers of agricultural commodities in the United States will receive a return on their investment and labor commensurate with their contribution to the national welfare. It is further declared

to be the policy of the Congress to promote programs recognizing the necessity for consumers in this country to be assured an adequate supply of agricultural commodities of the best possible quality and at the lowest possible prices. It is, therefore, the purpose of this title to provide for a study and investigation of the Federal laws and programs pertaining to agriculture with a view to revising and modernizing such laws and programs in order to achieve the policies stated above, and to provide for a better coordinated national food and fiber policy.

"Establishment of the Commission on United States Food and Fiber Policy"

"SEC. 802. In order to achieve the purpose set forth in section 1 of this joint resolution, there is hereby established a bipartisan commission to be known as the Commission on United States Food and Fiber Policy (hereinafter referred to as the 'Commission')."

"Membership of the Commission"

"SEC. 803. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of twelve members as follows:

"(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life.

"(2) Four appointed by the President of the Senate, two from the Senate and two from private life.

"(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

"(b) POLITICAL AFFILIATION.—Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

"(c) VACANCIES.—Vacancies in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

"Organization of the commission"

"SEC. 804. The Commission shall elect a Chairman and a Vice Chairman from among its members.

"Quorum"

"SEC. 805. Seven members of the Commission shall constitute a quorum.

"Compensation of members of the Commission"

"SEC. 806. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(b) MEMBERS FROM THE EXECUTIVE BRANCH.—Any member of the Commission who is in the executive branch of the Government shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary not exceeding \$22,500; and he shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of the duties vested in the Commission.

"(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive not exceeding \$75 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"Staff of the Commission"

"SEC. 807. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable in accordance with the provisions of the civil

service laws and the Classification Act of 1949.

"Expenses of the Commission"

"SEC. 808. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this joint resolution.

"Expiration of the Commission"

"SEC. 809. Sixty days after the submission to Congress of the report provided for in section 10(b), the Commission shall cease to exist.

"Duties of the Commission"

"SEC. 810. (a) INVESTIGATION.—The Commission shall make a comprehensive study and investigation of all Federal laws and programs pertaining to agriculture, including all matters relating to the food and fiber policies of the United States and the effect of such policies on all segments of our society, with a view to revising and modernizing such laws and programs to achieve the aims set forth in section 701 of this title. In carrying out such study and investigation the Commission shall consider such matters relating to agriculture as it deems necessary or appropriate, but shall specifically consider, with regard to the various agricultural commodities produced in the various regions of the United States, (1) effectiveness of price support and production controls, including acreage allotments and production and marketing quotas, which may be in effect for such commodities, (2) the future requirements of the United States and the world for such commodities, (3) suitable uses for land which may not be needed at the present time for the production of such commodities, but which may be needed for such purpose in the future, (4) methods for effectively coordinating domestic agricultural policies with the export opportunities for such commodities, (5) the effectiveness of our present policies in the use of food and fiber internationally and how such policies might be improved, (6) the problems of rural economic opportunity in the United States, (7) the national requirements for the stockpiling of agricultural commodities, (8) import and export policies of the United States with respect to food and fiber and the effect of such policies on the foreign policy of the United States, (9) methods of extending and expanding programs under the Agricultural Trade Development and Assistance Act of 1954, as amended, without adversely affecting commercial markets, and (10) the need for consolidating the activities of the United States Department of Agriculture with other Federal agencies on the development of rural resources. The Commission shall also give particular attention to the formulation of programs to facilitate the economic adjustment of agricultural producers who decide to transfer to other occupations. Such programs may include, but shall not be limited to, retraining programs, relocation allowances, assistance in obtaining alternative employment opportunities, early retirement, and provision for minimum compensation for land, dwellings, and equipment which such producers no longer want or need.

"(b) REPORT.—The Commission shall make a report of its findings and recommendations to the Congress on or before February 1, 1967, and may submit interim reports prior thereto.

"Powers of the Commission"

"SEC. 811. (a) (1) HEARINGS.—The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memoran-

dums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpoenas may be issued under the signature of the Chairman or Vice Chairman, or any duly designated member, and may be served by any person designated by the Chairman, the Vice Chairman, or such member.

"(2) In case of contumacy or refusal to obey a subpoena issued under paragraph (1) of this subsection, any district court of the United States or the United States court of any possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is being carried on or within the jurisdiction of which the person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Attorney General of the United States shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission or a subcommittee thereof, there to produce evidence if so ordered, or there to give testimony touching the matter under inquiry; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

"(b) OFFICIAL DATA.—Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this title."

ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTIONS

Mr. MONTOKA. Mr. President, I ask unanimous consent that my name appear as a cosponsor on Senate Concurrent Resolution 46, Senate Concurrent Resolution 47, and Senate Concurrent Resolution 48.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF BILL, CONCURRENT RESOLUTION, AND RESOLUTION

Under authority of the orders of the Senate, as indicated below, the following names have been added as additional cosponsors for the following bill, concurrent resolution, and resolution:

Authority of August 31, 1965:

S. 2482. A bill to prohibit obstruction of the performance of duty by the Armed Forces by obstruction of the transportation of personnel or property thereof: Mr. SCOTT.

S. Res. 142. Resolution proposing a study to determine feasibility of utilizing trade credits issued by the International Monetary Fund to facilitate international trade: Mr. BAYH, Mr. HART, Mr. LONG of Missouri, and Mr. SCOTT.

Authority of September 2, 1965:

S. Con. Res. 57. Concurrent resolution to recognize the World Law Day: Mr. CANNON, Mr. CASE, Mr. CHURCH, Mr. CLARK, Mr. DOMINICK, Mr. HART, Mr. INOUYE, Mr. LONG of Missouri, and Mr. MCCARTHY.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, September 8, 1965, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 53) to establish a tercentenary commission to commemorate the advent and

history of Father Jacques Marquette in North America, and for other purposes.

"THE KINDLY CHARMER FROM VERMONT"—TRIBUTE TO SENATOR AIKEN

Mr. MANSFIELD. Mr. President, the Christian Science Monitor for Saturday, September 4, 1965, contains on its editorial page a brief article entitled "The Kindly Charmer From Vermont," written by Josephine Ripley.

In the course of the article—and it is really a splendid piece of newsmanship—Miss Ripley writes:

It was the birthday party for one of the Senate favorites. That quiet and genial man of few words, sound convictions, and unruffled good nature, Senator GEORGE D. AIKEN, Republican, of Vermont.

Some 70 Senators turned out for the occasion at the invitation of the party giver and hostess, Maine's Senator MARGARET CHASE SMITH.

I would assume that that puts Senator SMITH in a class by herself and deservedly so, because in getting in excess of 70 Senators, which is more than the leadership can get on the floor of the Senate most of the time, Senator SMITH showed not only how high she rates in this body but how persuasive as well.

It has been said on occasion that sometimes Senator AIKEN says on the floor of the Senate what Senator MANSFIELD, of Montana, thinks. That is not true. But I am delighted to have this opportunity to express on the Senate floor, on the basis of my own thinking and through the use of my own voice, my extremely high regard for a man whom I consider one of the outstanding Senators of this or any other generation, a man who has contributed much to the welfare of his State and country, a man who keeps his feet on the ground at all times, and a man whose counsel I cherish and value.

Mr. President, I ask unanimous consent to have this article printed in the RECORD, so that Miss Ripley's story will be given somewhat greater circulation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Sept. 4, 1965]

THE KINDLY CHARMER FROM VERMONT

A third party sprang briefly into being in the Senate the other day. In fact, it took over. Members of both parties bolted to it in a happy merger.

It was a birthday party for one of the Senate favorites. That quiet and genial man of few words, sound convictions and unruffled good nature, Senator GEORGE D. AIKEN, Republican, of Vermont.

Some 70 Senators turned out for the occasion at the invitation of the party-giver and hostess, Maine's Senator MARGARET CHASE SMITH.

Not only did the majority of the Senate join this special "third party" on August 20, but the topmost Democrat of them all, President Johnson, bolted too, for this occasion. He decided that morning to join up. "Come along," he said to Mrs. Johnson in the casual fashion of a man whose wife is washing dishes with her apron on.

Anyway, it is reported that she quickly ran upstairs to change her dress. Lynda Bird came, too.

A Secret Service detail was rushed to the Capitol. The men were deployed on the main and second floors of the Senate side of the Capitol when I arrived.

Bewildered tourists were herded off. "You can't go to the second floor," they were told, as Secret Service men with outstretched arms fenced off the corridors.

I managed to squeeze by upon producing the typed invitation of Senator SMITH, apparently a then familiar admission ticket.

Upstairs the corridor leading to the walnut-paneled room where the luncheon birthday party was held was jammed with Members of the Senate.

It might have been a quorum call, with Senators stumbling over each other to answer it.

There was Senator DIRKSEN, his generally unruly curls carefully smoothed into place on this occasion. There was Senate Majority Leader MIKE MANSFIELD with a happy grin.

Senator MANSFIELD and Senator AIKEN are longtime breakfast pals in the Senate restaurant. It is a well-known bipartisan friendship.

A newspaper columnist noting these breakfast get-togethers recently wrote that Senator AIKEN often says on the floor of the Senate what Senator MANSFIELD is thinking in private.

Senator AIKEN took note of this when he rose to speak. He was interested to learn that he was Senator MANSFIELD's spokesman, he said. "Senator MANSFIELD's speeches will be briefer from now on," he wisecracked.

All those sitting at the head table—Senate leaders of both parties—had a birthday wish of good will and friendship as they rose at Senator SMITH's invitation to "say a word."

Others present said it in song: "For he's a jolly good fellow * * * which nobody can deny, which nobody can deny." It was loud and strong. An unusual and touching tribute to a respected Member.

The President's arrival "for a bowl of soup," came at the end of the luncheon. The President, Mrs. Johnson, and Lynda Bird bore gifts—a set of presidential cuff links, two autographed books, an autographed color photograph of the President, an L. B. Johnson pen.

Senator AIKEN, whose shy enjoyment of the occasion was obvious, beamed. He couldn't resist a quip. "Glad to have this L.B.J. campaign pen," he cracked.

It nearly broke up the President who exploded with laughter.

It was that kind of a party, with good will and good humor a constant theme.

After it was over, Senator after Senator was heard to say they had never known anything like this before. "Why don't we do this kind of thing more often?" they asked as they went back to the Senate Chamber to take their seats—the Republicans on one side of the aisle, Democrats on the other.

The answer may be, there's only one Senator AIKEN. Few men in the Senate are as highly regarded, as beloved as the kindly charmer from Vermont.

Mr. KUCHEL. Mr. President, will the Senator from Montana yield?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from California?

Mr. MANSFIELD. I am glad to yield to the acting minority leader.

Mr. KUCHEL. Mr. President, Senators will applaud the sentiments which have been expressed by the leader of the majority in the Senate.

I have often said, and now repeat, the No. 1 Senator of the U.S. Senate is the distinguished senior Senator from Vermont [Mr. AIKEN]. On this occasion, I hope that I may be permitted to call him "Uncle George."

He is genial, yes. He is kindly, yes. He is helpful, yes. He is able to express himself in phrase and sentence with clarity, yes. No words are wasted by the Republican Senate dean. On occasion, he has been most vigorous as the exigencies of the moment required.

GEORGE AIKEN graces the U.S. Senate.

I am most thankful that he sits on the Republican side of the aisle.

Mr. LAUSCHE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I fully subscribe to what the Senator from California has just said. However, I wish that I could erase from my mind the initial contact I had with the Senator from Vermont when I was the Governor of Ohio and came to Washington to testify before a committee of the Senate over which the Senator from Vermont presided. With me was a union labor leader. Remember, I was the Governor. We came into the room and the Senator from Vermont went right by me—the Governor—and shook hands with the labor leader and said to him, "I am glad you are here, Mr. Governor."

I could not judge what was wrong; but, the next time I met the Senator from Vermont was when I went to the White House, shortly after I became a U.S. Senator. I was wearing my tuxedo or—

Mr. AIKEN. They were tails.

Mr. LAUSCHE. Yes, they were tails. So was the Senator from Vermont in tails.

Mr. MANSFIELD. The Senator from Ohio does not know the difference between a tuxedo and tails.

Mr. AIKEN. He does not know.

Mr. LAUSCHE. I have not had them on since.

To continue my story, I left the White House later and walked to the porch to hand my automobile ticket to the man who would get my car. I stood there waiting, when out came the Senator from Vermont and handed me his automobile ticket to get his automobile for him. [Laughter.]

Mr. President, the distinguished senior Senator from Vermont [Mr. AIKEN] is a worthy gentleman. I am glad that this colloquy will be placed in the RECORD. You are a great citizen and a great Senator.

Let me close by saying, "I forgive you, GEORGE." [Laughter.]

Mr. TALMADGE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am glad to yield to the Senator from Georgia.

Mr. TALMADGE. I desire to associate myself with the remarks of the distinguished majority leader, the distinguished acting minority leader, and the Senator from Ohio, regarding the devotion to duty and service in the Senate of the distinguished senior Senator from Vermont.

It has been my privilege to serve on the Committee on Agriculture and Forestry with the Senator from Vermont since I came to the Senate, and I therefore know of his devotion and dedication to duty.

The Senator from Vermont attends to

his homework. He is a clear, articulate, and vigorous speaker.

His presence in the Senate makes it a better body.

Mr. CARLSON. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am happy to yield to the Senator from Kansas.

Mr. CARLSON. I associate myself with the remarks which have been made, first, by the majority leader, and then by other Members of the Senate on this happy occasion when we speak of the outstanding service of the Senator from Vermont and commend him for it.

The Senator from Vermont and I have been friends and associates for many years. We confer often on many matters dealing with agriculture. He is one of the outstanding agriculture leaders of the Nation. I have profited by his advice, not only on the subject of agriculture, but also concerning foreign relations, as I have the privilege to sit next to him on the Foreign Relations Committee. I therefore know that his advice is always sound and worthy of consideration—consideration I always give to what he tells me.

Therefore, Mr. President, it is a privilege to participate in this colloquy today.

Mr. AIKEN. Mr. President, will the Senator from Montana yield so that I may say a word in self-defense?

Mr. MANSFIELD. Reluctantly.

Mr. AIKEN. I am so nearly speechless at this time that I do not believe I could even tell the Senate what the majority leader is thinking. Of course, I will not give up trying.

In a way, I am glad that the Senator from Montana referred to the luncheon we had the other day, under the watchful eye, astute guidance, and loving friendship of the Senator from Maine [Mrs. SMITH]. Nor will I ever forget the distinguished visitors we entertained on that happy occasion. The President of the United States and his family were there. I am not likely to forget that the President took that occasion to say that he wished Congress to pass a certain bill, S. 1766, sponsored by 93 Senators.

At this point, we are waiting for the House to complete action on that bill.

I hope House Members will read the RECORD of today and refer back to what the President said at the luncheon on August 20. It would do the world a great deal of good if we could have early action on that little bit of legislation.

I thank the Senator from Montana for his gracious remarks concerning me.

Mr. MANSFIELD. Mr. President, what the distinguished senior Senator from Vermont, the ranking Republican Senator in the Senate, and in all other respects the ranking Senator, refers to, of course, is the bill which is sometimes called the Aiken water bill. It has 93 Senate signatures.

Mr. AIKEN. Sixty-three of them are Democrats.

Mr. MANSFIELD. I anticipate that there is a good possibility that the Senator from Vermont will receive good news tomorrow from the House Rules Committee.

Mr. AIKEN. I wish the House would try to beat us, so that they could pass

DIGEST of Congressional Proceedings

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HIGHLIGHTS: Senate debated farm bill. Sen. McGovern submitted wheat amendment to farm bill. Sen. Dodd criticized proposals to sell wheat to Russia and submitted amendment to farm bill to establish committee to study matter. Sen. Gruening expressed opposition to Public Law 480 aid to Egypt. Daily Digest states House Rules Committee cleared bill to expand various FHA loan authorities. Rep. Rogers, Fla., opposed wheat sales to Russia.

SENATE

1. FARM PROGRAM. Began debate on H. R. 9811, the farm bill (pp. 22439, 22442-57, 22458-75, 22499-502, 22532). Began debate on the cotton amendment by Sen. Talmadge which he stated would restore to the bill cotton provisions similar to those as passed by the House for a one-price system instead of a two-price system as reported by the Senate Committee (pp. 22460-75, 22499-502). Sen. McGovern submitted a wheat amendment to the bill which he stated would continue the domestic certificate two-price approach, provide for variable export certificate under which wheat farmers would receive the full net returns from

commercial wheat export operations, and enable wheat to be competitive with feed grains (p. 22522). Sens. Proxmire, Dodd, and Brewster submitted amendments intended to be proposed to the bill (p. 22522). The Committee report includes a summary of the principal provisions of the bill as follows:

"TITLE I—WHEAT"

"(1) A 4-year voluntary price support and diversion program (1966-69).

"(2) Price support through loans at larger of 50 percent of parity or world price, plus payments on projected yield of acreage allotment to bring total support to not less than \$1.90 and not more than parity.

"(3) No certificates issued to producers. Processors would pay difference between loan and \$2 per bushel in 1966. If bread prices increased, this could be increased in 1967 and subsequent years up to not more than the difference between the loan and parity. No. export certificates.

"TITLE II—FEED GRAINS"

"(1) A 4-year price support and diversion program for corn, sorghum (and at the Secretary's discretion barley).

"(2) Price supports through loans and payments at 65 to 90 percent of parity with authority to spread the payments over a smaller part of farm base at a higher rate, and with express authority to reduce the loan level below the 1965 level.

"(3) Malting barley exemption authority continued.

"(4) Alternative program at Secretary's discretion providing (i) no price support payments, (ii) loans at 60 to 90 percent of parity, (iii) not less than a 50-percent rate for 1 year diversion, not less than a 70 percent rate for 5-year diversion of not less than 40 percent of the base, and (iv) no payment to be in excess of 20 percent of fair market value.

"TITLE III—RICE"

"Four-year diversion program, effective only when national allotment is reduced below that for 1965. For 1966 and 1967 rice value factors could not be reduced and differentials between value factors for the various varieties could not be increased.

"TITLE IV—WOOL"

"National Wool Act extended 4 years through December 31, 1969, support price to be adjusted in accordance with changes in the parity index, and the support price for producers of less than 1,000 pounds to be increased by not more than 5 cents per pound.

"TITLE V—CROPLAND ADJUSTMENT PROGRAM"

"(1) Authority for 4 years to enter into 5- to 10-year contracts. The new contracts signed in any year cannot provide for annual payments in excess of \$225 million.

"(2) Not more than 50 percent of one allotment could be required to be put in as a condition of participation.

"(3) No lump-sum payments.

"(4) Person controlling farm for contract period could not be excluded from program because of nonownership if he has operated farm for 3 years.

"(5) Acreage diverted from any commodity under CAP would count toward price support diversion requirements for that commodity.

"(6) Both county and community would be required to be protected from adverse economic effect.

"(7) Wildlife service payments and advisory board provided for.

"TITLE VI—COTTON"

"(1) Domestic allotment program continued for 4 years with payments of 25 percent of basic support for 1966 to those keeping within their domestic allotments, 20 to 40 percent for subsequent years; a minimum farm domestic allotment equal to the smaller of 10 acres or the farm allotment; and a minimum national domestic allotment equal to 65 percent of the national acreage allotment.

"(2) Four-year program of payments to other than producers and domestic users at 3 cents per pound.

"(3) CCC export sales or subsidies required to be put on a bid or offer and acceptance basis without advance announcement of prices or subsidy rates (effective for 4 years).

"TITLE VII—MISCELLANEOUS"

"(1) Method prescribed for apportioning allotments among divided farms.

"(2) Authority to use projected yields in lieu of normal yields for all commodities. Projected yield not to be less than actual yields proved by producer, unless the use of such proved yield for a commodity will cause inequities among producers.

"(3) Sense of Congress that no restriction with respect to transportation in American vessels is to be applied to the commercial exportation of agricultural commodities if not applied to the exportation of other commodities.

"(4) Authority to purchase dairy products at market prices to meet program requirements for schools, domestic relief distribution, community action, foreign distribution, and other programs when the Commodity Credit Corporation stocks are insufficient.

"(5) Study of full-time commercial family farms and the extent to which farm programs are of benefit to such farmers.

"(6) Determinations by the Secretary of Agriculture on the amounts and availability of land, labor, material, or services needed for the production and harvesting of any agricultural crop. These determinations shall be accepted by all agencies of the United States."

~~WHEAT; FOREIGN TRADE. Sen. Dodd criticized proposals to remove shipping restrictions on sales of wheat to Communist countries (pp. 22475-99, and submitted an amendment intended to be proposed to the farm bill to provide for the establishment of a Select Joint Committee of Congress to Study East-West Trade (p. 22482). Sens. Hart and Mondale expressed disagreement with Sen. Dodd's position (pp. 22490-3).~~

~~MILITARY CONSTRUCTION. Passed without amendment H. R. 10775, the military construction authorization bill which includes an item for payment of CCC for certain family housing which was financed from the sale of surplus commodities. This bill will now be sent to the President. p. 22440~~

~~APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 10586, making supplemental appropriations to the Departments of Labor and HEW, including \$1,723,000 for the Labor Dept. for activities relating to admission and employment of foreign agricultural workers and \$7,000,000 for the new Administration on Aging in HEW. This bill will now be sent to the President. pp. 22365-9, 22457-8~~

5. LANDS. A subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration without amendment S. 2182, to revise the boundaries of the Jewel Cave National Monument, S. Dak. p. D902
6. DISASTER RELIEF; TAXATION. The "Daily Digest" states that the Finance Committee "announced that it has postponed until the next session of Congress further consideration of H. R. 7502, relating to tax treatment of losses suffered from major disasters." p. D902
7. FOREIGN AID. Sen. Gruening expressed opposition to further Public Law 480 assistance to Egypt until it "stops its aggressive actions" against other countries. pp. 22537-8
8. PATENTS. Sen. Nelson inserted an article on Sen. Morse's testimony before the Small Business Committee on bills to formulate a uniform patent policy, "Morse Calls Patent Bill Clause Effort to Steal Billions." p. 22533
9. RECREATION. Sen. Nelson inserted items in support of his proposal to establish the Apostle Islands national lakeshore in northern Wisc. pp. 22533-5

HOUSE

10. FOREIGN SERVICE. Passed with amendments H. R. 6277, to amend the Foreign Service Act of 1946 so as to facilitate the establishment of a single personnel system within the Department of State, the U. S. Information Agency, and the Agency for International Development. pp. 22369-98
11. PUBLIC WORKS. The Public Works Committee reported with amendment S. 2300, to authorize the construction, repair, and preservation of certain public works on rivers and harbors for navigation, and flood control (H. Rept. 973). p. 22436
12. TRADE FAIRS. The Foreign Affairs Committee reported with amendment H. R. 30, to provide for the participation of the U. S. in the Inter-American Cultural and Trade Center in Dade County, Fla. (H. Rept. 974); and without amendment H. R. 9247, to provide for participation of the U. S. in the HemisFair 1968 Exposition, San Antonio, Tex. (H. Rept. 975). p. 22436
13. TARIFF. The conferees on H. R. 7969, to correct certain errors in the Tariff Schedules of the U. S., and H. R. 5768, to extend for an additional temporary period the existing suspension of duties on certain classifications of yarn of silk, were given until midnight, Mon. Sept. 13, to file a report. p. 22398
14. PERSONNEL. Concurred in the Senate amendments to H. R. 8469, to increase the annuities of retired Federal employees and to revise the method of determining cost-of-living increases in retirement annuities (p. 22365). This bill will now be sent to the President.
15. WATERSHEDS. The "Daily Digest" states that the Public Works Committee approved plans for works of improvement on the following watershed projects: Cooper Creek, Ark.; Limestone Stream, Maine; Long Creek, Miss.; Tuscumbia River, Miss. and Tenn.; Grindstone-Lost-Muddy Creek, Mo.; Stewarts Creek-Loville Creek, N. C. and Va.; Upper Elk Creek, Okla.; Ferrod, Utah; Choccolocco Creek, Ala.; Little Clear Creek, Ark.; Upper Choptank River, Del. and Md.; Grove River, Ga.; South Fork Broad River, Ga.; supplement to Busseron, Ind.; Little Raccoon Creek, Ind.; Timber Creek, Kans.; supplement to SuAsCo, Mass.;

Senate

THURSDAY, SEPTEMBER 9, 1965

(Legislative day of Wednesday, September 8, 1965)

The Senate met at 11 o'clock a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore [Mr. METCALF].

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, as in reverence we hallow Thy name, so may we hallow our own as we keep our honor bright, our hearts pure, our ideals untarnished, and our devotion to the Nation's welfare high and true.

As within this quiet Chamber of governance we close the door for this still moment upon the wild and violent world without, we seek Thee anew within, until thoughts grow reverent again, waiting tasks are glorified and our whole being is dominated by a faith in the ultimate decency of the world because the God behind the shadows, and in them, can transfigure all common things into shining sacraments of love.

We ask it through riches of grace in Christ Jesus, our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, September 8, 1965, was dispensed with.

FOOD AND AGRICULTURE ACT OF 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. ELLENDER obtained the floor.

Mr. MANSFIELD. Mr. President, will the distinguished Senator from Louisiana yield to me briefly?

Mr. ELLENDER. I yield to the Senator from Montana without losing my right to the floor.

CALL OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of certain measures on the calendar, beginning with Calendar No. 670.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will state the first bill.

RESPONSIBILITY FOR MARKING OF OBSTRUCTIONS IN NAVIGABLE WATERS

The bill (H.R. 725) to clarify the responsibility for marking of obstructions in navigable waters was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 688), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of H.R. 725 is to clarify the responsibility, as among Government agencies, for marking obstructions in navigable waters.

BACKGROUND

Current law provides that the Corps of Engineers and the Coast Guard are responsible for marking wrecks in navigable waters. However, the extent of the responsibility of each is unclear. This bill, as recommended by the Secretary of the Treasury, provides that the primary obligation for marking all obstructions to navigation rests with the Coast Guard. This should completely eliminate the present lack of clarity.

The bill in no way abrogates the existing responsibility of the Corps of Engineers to remove obstructions, or the existing responsibility of shipowners to mark the obstructions.

Specifically, the Secretary of the Treasury is authorized to mark wrecks and other obstructions which, in his judgment, constitute obstructions to navigation.

ADMINISTRATION OF THE COAST GUARD BAND

The bill (H.R. 727) to provide for the administration of the Coast Guard Band was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 689), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of H.R. 727 is to permit the Coast Guard to select as the conductor of its band an officer, and to accord statutory recognition to the Coast Guard Band.

BACKGROUND

Currently the Coast Guard Band is conducted by a warrant officer, while all other service bands are conducted by officers. This bill requires the conductor to be an officer

who is at least a lieutenant (junior grade) but not higher than a lieutenant commander. The committee believes this range of rank is consistent with the duties and responsibilities.

The Coast Guard Band is based at the Coast Guard Academy at New London, Conn. It performs for ceremonial functions at the Academy, and also travels throughout the country for various performances. This bill will contribute to leveling this aspect of the Coast Guard with other services, and will generally promote the prestige of the Coast Guard.

RETIREMENT OF ENLISTED MEMBERS OF THE COAST GUARD RESERVE

The bill (H.R. 7779) to provide for the retirement of enlisted members of the Coast Guard Reserve was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 690), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of H.R. 7779 is to permit voluntary retirement by members of the enlisted Coast Guard Reserve who have served on active duty on the same basis as similarly situated enlisted personnel of the Regular Coast Guard.

BACKGROUND

Present law discriminates against Coast Guard reserve personnel in retirement pay. Members of the Regular Coast Guard who have served 20 years of active duty are entitled to retire voluntarily and receive retirement pay in the amount of 2.5 percent of their basic pay multiplied by the number of years of active service. However, there is no such provision for members of the Coast Guard Reserve, who have served 20 or more years on active duty. Members of the Reserve who were members in January 1953 and who will have completed their active duty by January 1973 may receive similar benefits under a statute enacted on behalf of both Naval and Coast Guard reservists.

Presently there are approximately 11 members of the Coast Guard Reserve serving on extended tours of active duty who do not qualify under the special legislation described above, either because they were not members of the Reserve in January 1953 or because they will not have served their entire 20 years on active duty before January 1973.

This bill will provide the same treatment for these excluded Coast Guard reservists as for members of the Naval Fleet Reserve and of the Regular Coast Guard.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

Mr. STENNIS. Mr. President, will the Senator from Louisiana yield to me for the purpose of taking up a House bill

that I believe can be disposed of in a few minutes?

Mr. ELLENDER. I yield.

The ACTING PRESIDENT pro tempore. Will the Senator suspend while the Senate receives a message from the House of Representatives on this matter?

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 10775. An act to authorize certain construction at military installations, and for other purposes; and

H.R. 10871. An act making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 795. An act to provide for the assessing of Indian trust and restricted lands within the Lummi Indian diking project on the Lummi Indian Reservation in the State of Washington, through a drainage and diking district formed under the laws of the State;

S. 949. An act to promote commerce and encourage economic growth by supporting State and interstate programs to place the findings of science usefully in the hands of American enterprise;

S. 2420. An act to provide continuing authority for the protection of former Presidents and their wives or widows, and for other purposes;

S.J. Res. 89. Joint resolution extending for 2 years the existing authority for the erection in the District of Columbia of a memorial to Mary McLeod Bethune; and

S.J. Res. 102. Joint resolution to authorize funds for the Commission on Law Enforcement and Administration of Justice and the District of Columbia Commission on Crime and Law Enforcement.

HOUSE BILL REFERRED

The bill (H.R. 10871) making appropriations for Foreign Assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AUTHORIZATION OF CERTAIN CONSTRUCTION OF MILITARY INSTALLATIONS

Mr. STENNIS. Mr. President, I ask unanimous consent that the Chair lay before the Senate, for immediate consideration, H.R. 10775, to authorize certain construction at military installations, and for other purposes, which was passed by the House on Tuesday last.

The ACTING PRESIDENT pro tempore laid before the Senate the bill (H.R. 10775) to authorize certain construction of military installations, and for other

purposes, which was read twice by its title.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. KUCHEL. Mr. President, reserving the right to object, I ask the distinguished Senator from Mississippi whether or not the ranking minority member on the committee, the Senator from Massachusetts [Mr. SALTONSTALL] is in agreement.

Mr. STENNIS. Mr. President, the bill has been cleared for passage by the Senator from Massachusetts. I shall make a brief statement with respect to the bill, which will clarify the matter.

Mr. KUCHEL. I thank the Senator. May I ask whether the members of the minority are in agreement?

Mr. STENNIS. They are.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. KUCHEL. Mr. President, although I reserved the right to object I now have no objection, in view of the circumstances.

Mr. STENNIS. The bill now before the Senate takes the place of the bill vetoed by the President of the United States (H.R. 8439). It is exactly the same as the bill passed by the Senate and the House heretofore except in two particulars. The first is the section to which the President objected with respect to the delay of time in the closing of camps, posts, stations, yards, or other installations under the authority of the Department of Defense.

The section substituted for the one in the old bill provides that they shall not be closed until after the expiration of 30 days from the date upon which a full report of the facts, including justifications therefore for such proposed action, is submitted by the Secretary of Defense to the Committees on Armed Services of the Senate and the House of Representatives.

The position of the Senate was not nearly so strong with reference to this delay as was that of the House of Representatives. I believe that this section is satisfactory generally to all members of the Senate Committee on Armed Services, and we unanimously recommend its adoption by the Senate.

The other exception relates to a requirement in section 609 of the House version of the old bill that the expenditure of funds for the construction of buildings for the Aerospace Corp. must be by a line item authorization, for the Air Force just as a military installation has to have a line item authorization. The Senate denied this provision in that it was singular in purpose. The conferees agreed on the purpose of the section, but broadened it in scope to apply not only to aerospace but to other similar undertakings, as well.

There was some confusion about the meaning of the language, and it was decided to adopt the section in the original bill and carry over until next year the technical problem of expanding the

language to cover other installations. We believe the section is sound and should be adopted.

The bill was not referred to the Committee on Armed Services. I discussed the question with the membership, and it was agreed that the referral was not necessary.

The Senator from Massachusetts [Mr. SALTONSTALL] and I conferred about the bill yesterday. He cannot be in the Chamber at this moment, but he agrees to the bill in its present form, as do all other members of the committee.

Mr. President, I ask unanimous consent that sections 609 and 611 of the bill, H.R. 10775 be printed at this point in the RECORD.

There being no objection, the sections were ordered to be printed in the RECORD, as follows:

SEC. 609. Every contract between the Secretary of the Air Force and the Aerospace Corporation shall prohibit the construction of any facility or the acquisition of any real property by the Aerospace Corporation unless such construction or acquisition has first been authorized to the Air Force by the Congress.

SEC. 611. (a) No camp, post, station, base, yard, or other installation under the authority of the Department of Defense shall be closed or abandoned until after the expiration of thirty days from the date upon which a full report of the facts, including the justification for such proposed action, submitted by the Secretary of Defense to the Committees on Armed Services of the Senate and House of Representatives.

(b) This section shall apply only to posts, camps, stations, bases, yards, or other installations that are located in the United States and Puerto Rico and have a total military and civilian complement of more than two hundred and fifty. It shall not apply to any facility used primarily for river and harbor projects or flood control projects.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading.

The bill (H.R. 10775) was ordered to a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STENNIS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE MILITARY CONFLICT OVER KASHMIR

Mr. MANSFIELD. Mr. President, for more than a decade and a half, the good sense of the leadership in India and Pakistan and the work of the United Nations have served to maintain a truce in Kashmir. It is a truce which has been threatened many times but, always, in the past has been reasserted.

Now there has been a massive collapse of the truce. It is carrying down the whole structure of the comity by which India and Pakistan have managed to live in a tolerable peace subsequent to partition. The military conflict which began in Kashmir a short time ago has already leaped across other parts of the frontiers

between India and Pakistan, on both the east and the west. Reports tell of air raids against major cities and airdrops and other military activity in many places outside of Kashmir. With every passing hour the conflict seems to be gaining momentum.

Unless the present trend is promptly checked, there will be a Himalayan catastrophe in the Indo-Pakistani subcontinent. It will be fed not only by the issue of Kashmir but by a fierce national rivalry buttressed by the clashing forces of religious communalism. A fore-shadow of what may be involved is to be found in the struggle which accompanied partition, when it is estimated that half a million persons lost their lives and approximately 15 million people were uprooted from their homes and forced to seek refuge in one of the greatest transplantations of population in the history of mankind.

At the end of the present course lies, clearly, the wreckage of much of the great constructive endeavor which has been pursued successfully and against great odds in both India and Pakistan during the past 15 years. The work of a dedicated, indigenous leadership and a hard-working populace, the contribution of enormous amounts of aid from many nations, the political achievements wrought in the context of Commonwealth cooperation and evolution—all of this is subject to forfeit in the military storm which is now spreading.

It is easy enough to preach to both nations that they have everything to gain and nothing to lose by abstaining from violence. It is easy enough to urge peace on both India and Pakistan. But our own involvement in Vietnam—a far less complex situation—should underscore for us the gap between the great desirability of peace and the slim possibilities of its prompt restoration once it has given way.

Therefore, Mr. President, it would be my hope that we would exercise a measure of restraint insofar as platitudes on peace are concerned and, further, that we would avoid a unilateral course in this situation. No single outside nation, this Nation included, is likely by statements or even unilaterally determined policies to contribute very much to a restoration of peace. A good deal more is needed if, indeed, any outside effort is to be helpful in this situation.

The fact is that the Kashmir problem has been a matter of concern to the United Nations since 1949. The United Nations Security Council has been able, heretofore, to play a major role in maintaining the truce in Kashmir even though it has yet been unable to bring about a resolution of the basic issues. If there is any outside element which can be helpful in this situation it would appear to be, still, the Security Council assisted by the able Secretary-General of the United Nations, Mr. U Thant. Indeed, the Council, on September 4, took the first essential step when by unanimous vote it called for a cease-fire and a withdrawal of forces to the 1949 truce line in Kashmir. That call has so far been disregarded and indications are that other actions will have to be taken.

For us and for other nations that seek peace within the context of friendly relations with both India and Pakistan, the great necessity is for a common course at this critical time. It would appear to me that such a course is best achieved through the machinery and procedures of the Security Council, assisted by the Secretary-General. Decisions properly taken by that body are binding on every member of the United Nations. And, indeed, such decisions should have the firm support of member nations in view of the common stake of all in the restoration of peace.

It seems to me especially important at this time—that the U.S. aid programs for India and Pakistan and those of other nations, and they are many, which are inextricably and, in all frankness, embarrassingly interwoven with this conflict must be made to serve the ends of a restoration of peace. Just how that can be done is not yet clear. But this Nation, it seems to me, ought to be prepared to join with other nations in a common pledge that aid programs in which they may be engaged in both India and Pakistan, within their present dimensions, will be adjusted at the request of and in accordance with any relevant decisions of the United Nations Security Council.

In the present critical situation the constructive value of all aid programs—military and economic—in both India and Pakistan is thrown into doubt. The President has acted wisely in promptly suspending shipments to both nations under the military aid program. Further adjustments in the interests of peace may be necessary. Flexibility is essential to the President if he is to make these adjustments effectively. He can be counted upon to act in close cooperation with the Congress. In this connection, it might be well to recall that the President, while subject to much criticism, refused to enter into any aid agreements for this fiscal year until Congress approved the authorizing foreign aid legislation and appropriated the necessary funds. It would appear to me that this is not only a sound approach in itself but is also indicative of his readiness to work closely with the Congress as circumstances develop. The complex and critical nature of the current situation, however, requires full support of the President and his representative at the United Nations Security Council. Together, they can press the views of this Nation and adjust them, as necessary, in the light of the views of others to the end that the aid programs of all may be brought to the full support of a United Nations effort to restore peace as quickly as possible.

TRIBUTES TO MAJORITY AND MINORITY LEADERS OF THE SENATE

Mrs. SMITH. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. RUSSELL of South Carolina in the chair). Does the Senator from Louisiana yield to the Senator from Maine?

Mr. ELLENDER. I am happy to yield to the Senator from Maine, provided that

in doing so I shall not lose my right to the floor.

Mrs. SMITH. I thank the distinguished Senator from Louisiana for giving me this time.

Mr. President, the distinguished majority leader had some very kind and generous words for me in this Chamber yesterday and I am very grateful to him.

As we approach the close of this session, I want to pay my personal tribute to the majority leader for the splendid leadership that he has given the Senate. There may be those who feel that as a Republican I should restrain myself from giving such credit to him lest the Democrats use it for campaign ammunition. I do not feel that way. I feel that when a person has done an outstanding job that recognition should be given regardless of party affiliation. And if any of my enemies or critics in either the Democratic Party or the Republican Party wish to use this as an issue against me, I welcome them doing so.

In fact, I have been somewhat amused at some of my Democratic critics having cautioned other Democrats not to issue any words of praise about me lest I use those words to good advantage in campaigning for reelection.

But MIKE MANSFIELD has done an excellent job and I am not about to deny him recognition on my part of his achievement merely because I am a member of the opposite political party. He has given the Senate the most orderly conduct of business that I have ever seen since I have been privileged to be a Member of this body. He has wisely and very effectively conducted the Senate's business in an unparalleled manner of avoiding late night sessions and Saturday sessions, both of which are not conducive to legislating in the best mental framework when Members are tired and their tempers affected by their fatigue.

And while paying tribute to the majority leader, I want to pay equal tribute to the minority leader. I have read some attacks on EVERETT DIRKSEN for not being partisan enough in his role as minority leader—for not being more of an opponent to the President's program—for being too cooperative.

Well, I have personally witnessed the political independence of EVERETT DIRKSEN. I have seen him oppose the President when he thought the President was wrong. I have seen how his actions and views have had a great influence on the President and caused the President to change his original views on legislation and his legislative program—and change constructively.

In the words of the President, EVERETT DIRKSEN is constructive instead of being merely negative—he is a builder instead of a wrecker. And the best testimonial to his constructive fairness, without diluting his duties as the leader of the loyal opposition, to the President's own high regard for EVERETT DIRKSEN and the very great degree to which he leans upon EVERETT DIRKSEN for guidance and advice.

Everybody knows this. But it is time that it should be said in defense of EVERETT DIRKSEN against his overly partisan

critics. We Members of the Senate, on both sides of the aisle, share the high regard and esteem that the President of the United States holds for EVERETT DIRKSEN.

Mr. KUCHEL. Mr. President, will the Senator from Maine yield to me?

Mrs. SMITH. I yield.

Mr. KUCHEL. I join with enthusiasm in what the distinguished Senator from Maine has just said. We have two superb Senate leaders. The majority leader, MIKE MANSFIELD, a man of high courage and conviction, is a great adornment to his country, his party, and to the Senate. Surely his counterpart, the minority leader, EVERETT DIRKSEN, is equally a great American leader, a great Republican leader, and a great Senate leader.

Any man or woman in public service who attempts to accomplish good for the people of this country may be subjected to cruel attack from time to time, and abuse on occasion, has come, without justification, to both of those men.

I regret that from time to time the leader of our party in the Senate, who has accomplished so much for his country by his leadership, has been the recipient of abuse as has been, also, his Democratic counterpart. Surely the comments of the Senator from Maine demonstrates what the feelings of Senators are with respect to the Democratic leader and the Republican leader in the Senate and what the feelings of the people of this country are with respect to them.

Mrs. SMITH. I thank the distinguished Senator from California for his comments.

Mr. MANSFIELD. Mr. President, will the Senator from Maine yield to me?

Mrs. SMITH. I am happy to yield.

Mr. MANSFIELD. Mr. President, I take this opportunity to thank the distinguished Senator from Maine for her remarks and to join her wholeheartedly in what she has to say concerning the distinguished minority leader.

If the Senate is to function, there must be cooperation on both sides as a matter of necessity. Cooperation, understanding, and tolerance have been forthcoming at all times.

Let me say that it is good for me—really a tyro in politics—to work alongside an old “pro,” who rolls with the punches, who faces up to events as they occur, and who manages to emerge smiling most of the time.

Again I thank the distinguished Senator from Maine for her comments and to assure her that I appreciate them more than I can say.

Mrs. SMITH. I thank the distinguished majority leader.

Mr. DIRKSEN. Will the charming lady from Maine yield to me?

Mrs. SMITH. I am happy to yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I can only salute and agree wholeheartedly with what the majority leader says in regard to the operation of the Senate.

Long ago, we agreed that the Senate is a public body which functions on a two-way street. If it were not so, the Senate would be in a constant state of disruption.

We dedicate ourselves to the business of making the Senate a functioning body.

I am grateful, indeed, for the kind words.

As for the abuse, I roll with the tide. For more than 30 years I have been subjected to criticism of one kind or another. I do not retaliate. I do not reply in kind. I am content to take criticism in stride, because that is one of the things to which one must become inured in public service.

I am grateful to the Senator from Maine for her kind remarks.

Mrs. SMITH. I thank the minority leader very much.

A TRIBUTE TO MINORITY LEADER EVERETT M. DIRKSEN

Mr. SIMPSON. Will the Senator from Maine yield?

Mrs. SMITH. I yield.

Mr. SIMPSON. Mr. President, we have just heard a marvelous tribute given to our minority leader, Senator EVERETT DIRKSEN. I have asked permission to associate myself with the expert views of the gracious lady from Maine [Mrs. SMITH].

“EV” DIRKSEN is Nature’s nobleman and a great leader with a warm heart and unimpeachable integrity. He and his wife, LOU, deserve the tributes which have just been paid to them.

I thank the Senator from Maine.

Mrs. SMITH. Mr. President, I apologize to the Senator from Louisiana [Mr. ELLENDER] for taking all this time, when it was not my time to yield, and I hope that he will bear with me.

Mr. ELLENDER. The Senator from Maine is most welcome.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, will the Senator yield without losing his right to the floor?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. ELLENDER. Mr. President, for the past 3 or 4 months, the Committee on Agriculture and Forestry has been giving very serious consideration to the many problems facing agriculture.

As we all know, the farm price support program really had its start in 1938. What the Congress has done since that

time has been to add to and subtract from the original proposals made in 1938.

It will be remembered that the Committee on Agriculture and Forestry at that time held hearings throughout the country, at the grassroots, to obtain all the information possible with which to draft a bill in keeping with what was thought to be to the advantage of the producers of our Nation.

There is no doubt that we must by all means keep our farming community on the go and provide it with a fair income. Our entire economy is dependent on agriculture. One need only visit various parts of the world to discover what it means for a country to be incapable of producing its own food and fiber requirements. Many countries have neglected their precious land and water resources.

As a consequence, their economies deteriorated.

Many years ago Persia, which consisted of the present territory occupied by Iraq and Iran, was able to produce sufficient food to take care of 100 million people. The great valley of Mesopotamia, between the Tigris and the Euphrates Rivers, was able to grow food for as many as 15 million people.

I visited those areas. But, because of the neglect of the people in the protection of their land and water resources, the great Mesopotamia Valley is able to grow food now for only about 5 million people. Their lands have soured. Their streams have clogged. The great port of Basra, which used to be on the Persian Gulf, is now removed about 30 miles upstream.

What was the reason? The sedimentation from those two great rivers, the Euphrates and the Tigris, came down and not only built into the Persian Gulf, but clogged the many streams that emptied into those two great rivers and made much of the land more or less barren.

We do not want such a condition ever to exist in our own country.

Mr. President, long before I came to the Senate I devoted much time and study to the protection and preservation of our two great resources. I am proud of the fact that, as a Senator from Louisiana, I have been able to carry on this work as chairman of the Public Works Subcommittee of the Appropriations Committee, as well as chairman of the Agriculture and Forestry committee of the Senate.

I have been serving on the latter committee since I came to the Senate, almost 29 years ago. All of the legislation affecting our farms, affecting conservation, and other laws affecting agriculture and the protection and preservation of our water resources came under my view. I was there to participate and assist in passing legislation to protect and preserve those great resources.

Mr. President, it has often been said that the cost of our programs has been too high. I have so stated on many occasions, but when we consider the great factory that has been built over the years, in which we can now produce food and fiber in abundance, to feed not

fifty million, or 100 million, but almost 200 million people at home and many more millions abroad, the cost fades in comparison. It has been a marvel what the farmers of this Nation have been capable of accomplishing.

From information gathered by the committee staff through the Department of Agriculture, the program cost, from its inception in October 17, 1933, when we first had the NRA through June 30, 1965, amounts to \$38,239,800,000.

If we add other Commodity Credit Corporation costs to that amount, such as strategic and critical materials—we have a barter program as we all know—off-shore procurement, ocean transportation in order to take care of shipment of Public Law 480 commodities, storage facilities, research studies, interest in the amount of \$3,822,900,000, the war-time consumer subsidy of about \$2,102,300,000, and other items, we find that the total cost amounts to \$46,976,100,000.

At first blush, such an enormous sum appears very high, and it is very high; but, as I pointed out, our food and fiber abundance warrants every penny spent. There are many periodicals today that are highly critical of the farm program; they suggest that the farmers should go to the market place to obtain their fair share of our economic prosperity. But, Mr. President, after World War II, when industry returned from war to peace, over a period of 5 years it cost the Federal Government in excess of \$43 billion in subsidies to industry. We never heard a chirp out of anyone when that was done.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. AIKEN. The Senator will remember that following World War II Congress authorized cancellation of several billion dollars worth of consumer subsidies, which have been charged to the agricultural program. They were written off as if they did not exist when it came time to repay the Commodity Credit Corporation.

Mr. ELLENDER. I thank the Senator. Those figures were included in the total I mentioned which was chargeable to agriculture.

I stress the fact that this cost has been over the period from 1933 to 1965, over 32 years.

Today there are no people in the world who are better clothed or who eat better than do the people of the United States. That is something which should be borne in mind by those who seek to criticize this very costly program, as they put it. In the course of my discussion I shall refer to the costs of each of the programs.

The program which leads the way in cost is the wheat program. Of course, the reason is that of the \$14,603 million total cost of this program, \$9,517,100,000 was expended under Public Law 480. Wheat is a product that is used by all the peoples of the world, and we help to keep millions of people from starvation. Wheat is a major product exported under the Public Law 480 program.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Tennessee.

Mr. GORE. Is not the disposition of grain and other food commodities under Public Law 480 a vital instrument of American foreign policy?

Mr. ELLENDER. Yes; it is. I consider it so.

Mr. GORE. However, I believe the cost is charged to the farm program.

Mr. ELLENDER. The Senator is correct.

Mr. GORE. Will the Senator yield for a further question?

Mr. ELLENDER. I yield.

Mr. GORE. In what countries would people be facing virtual starvation now, except for the food surpluses produced in the United States?

Mr. ELLENDER. There is the classic example of India, now at war with Pakistan. We have shipped wheat there by the hundreds of millions of bushels in the past 7 or 8 years. We have done the same in Pakistan. We shipped a good deal of wheat throughout Asia and north Africa, and some to Western Europe soon after the war, when production there had not reached its normal capacity.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. I commend the Senator from Louisiana, the distinguished chairman of the Committee on Agriculture and Forestry, for pointing out that, despite the fact that the wheat program has cost \$14 billion over the period of time he mentions, a large portion of it applies to Public Law 480, Food for Peace, and school lunch programs. All those are charged to agriculture. The substantial part is charged to wheat.

I thank the Senator for calling that to the attention of the country.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Only a small portion of the wheat has been given for relief purposes, not a major part. The major portion is sold for the currency of the recipient country, and that currency is then turned over to the State Department and the armed services, to use in carrying on their programs.

Mr. ELLENDER. Before I agreed to yield to my friend the Senator from Kansas, I was going to enlarge on the question asked by the distinguished Senator from Tennessee.

It is absolutely correct that the major portion of the \$9.517 billion charged to wheat under Public Law 480 was sales by our Government for soft currencies of other countries. I would say over two-thirds of the wheat costs represents sales for foreign currencies.

Mr. AIKEN. Yes.

Mr. ELLENDER. About 60 percent of those soft currencies, when we received them, were then loaned or granted to the recipient countries. Interest charged on the loan was at a very low rate. About 40 percent was used by the United States to carry on projects of its own, including needs of the Military Establishments.

Mr. AIKEN. And building embassies.

Mr. ELLENDER. Building embassies and things of that kind, and even to pay the salaries of some of the employees at our various embassies. So although the amount of \$9.5 billion looms high, a good deal of that was used in lieu of cash.

Often, in this Chamber and before the committees that have dealt with foreign aid, I have made the plea that more and more of our food surpluses be used instead of cash. But what did we do? We gave the cash, and thus more or less used the food surplus program only as a supplement to the foreign aid program that we conducted.

Mr. GORE. Does not the Senator feel that it would be well, in order to complete the presentation, to recall that though grain is sold for local currencies, the restrictions upon the use of such currencies have been such, in many instances, that we have foreign currencies stacked in bales not worth as much as our own cotton sacking in which the currency is contained?

Mr. ELLENDER. The Senator is correct. The unfortunate thing is that in the early part of the operation of Public Law 480, the program was more or less considered on the basis of getting rid of our surpluses, and letting anybody have them on any terms they desired.

Lately, however, we have been able to tighten upon that program. We worked in that direction when Public Law 480 was extended last year, or 2 years ago, when we provided in the contracts for the sale of these commodities, that the money thus obtained might be used for any purposes desired within the country making the purchase.

For example, many of our ships go through the Suez Canal. As the Senator has said, we had many Egyptian pounds there that we could have used to pay the toll for our ships going through the canal. But there was objection by the Egyptian Government. Although we had millions of their pounds, we had to use cash in order to be able to pay the tolls through the Suez Canal.

Mr. GORE. U.S. cash, dollars.

Mr. ELLENDER. Yes; U.S. dollars, not the pounds of Egypt. Egypt would not permit us to use those pounds, and that was written into the contract. Of course, our own people agreed to such terms.

Mr. GORE. Yet this is charged as a cost of the farm program.

Mr. ELLENDER. It is. That is what I have indicated all along.

Mr. CARLSON. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. CARLSON. I believe this is a good place to get into the RECORD the fact that during the past year, we exported 730 million bushels of our wheat. Of that vast amount, only 165 million was sold for dollars. That amounts almost to giving it away, because most of it is exchanged for other purposes.

Mr. ELLENDER. That is very true. I hope that from this time forward, the administrators of our programs abroad, particularly in respect to the operation of Public Law 480, will follow the laws that are now on the statute books, and not bargain away these precious re-

sources without the United States receiving a fair return.

This is also true with respect to interest charges. We have found instances in which some of our commodities were sold at world prices, on which we took a tremendous loss, yet in such instances the interest rate was as low as $\frac{1}{2}$ to $1\frac{1}{2}$ percent. There have been instances in which sales were made at currency exchange rates far less favorable than those available to tourists.

For example, take Poland. The tourist there receives 51 zlotys for a dollar. When we sold wheat there, we got about 18 to 21 zlotys. We lost going and coming.

To close such loopholes, the last time Public Law 480 was extended, the Committee on Agriculture and Forestry and the Congress made efforts to put the program more or less on a business basis. If that were done, perhaps our allies would like us better.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Yesterday I noted an editorial in one Washington, D.C., newspaper placing the cost of the cotton program sponsored by the Senator from Louisiana at something like \$3 billion. Of course this is a gross exaggeration, and is similar to the cost figures that have been used for wheat.

In arriving at these figures, the entire cost of the Public Law 480 program, which is a little more than a billion dollars, is added to the cost of the wheat price support program.

As the Senator knows, this includes wheat for famine relief and food packages distributed by CARE and church organizations. It is absurd to charge things like that to the cost of the farm price support program.

The average person looking at these statements believes that farmers are getting a check from the Government for this kind of relief. This is something that I hope we would be doing anyway, whether we had a price support program or not.

The same thing is true of wheat that is sold for foreign currency. This is the best part of our foreign aid program, Mr. President, and I am sure that we make many more friends in this way than we do by throwing our money around the world.

I am happy that the Senator from Louisiana has made a point of this situation.

Mr. ELLENDER. Inasmuch as I mentioned wheat, I believe I might as well mention other commodities also. Let us take corn and feed grains. That program has cost a good deal. It has cost \$9,682 million. Of that huge sum, \$1,052 million went through Public Law 480. That is a very small amount compared with wheat.

The greatest expense in the corn and feed grain program occurred during the past 4 years under the voluntary program about which I have been complaining, as the Senator from North Dakota knows.

The cost of the direct payments on this program have been large in con-

trast with what we expected. These payments now amount to \$4,038,200,000. In the past 4 years we have spent in excess of \$5.4 billion by way of supporting the feed grain program. All of that has occurred since 1961.

As the Senator knows, we tried in committee to do something about that. I believe we are amending the law in such a way that if the Secretary of Agriculture will use the authority, it might reduce the cost.

I shall go into greater detail in this program a little later.

The rice program has cost \$1.4 billion. However, the Public Law 480 program amounted to \$993 million of that, or more than two-thirds of the cost of the entire program.

The tobacco program has cost only \$349 million, and most of that went by way of Public Law 480.

The upland cotton program cost \$4.601 billion. Almost \$2 billion of that amount went through Public Law 480.

The dairy products program has cost a total of \$4.492 billion. Of course, we must add to that about \$300 million because we appropriated that amount directly from the Treasury to buy milk for the special milk program.

Mr. President, I shall come back to these costs later in my remarks. In my discussion later I shall cover these points in detail. I ask unanimous consent to place in the RECORD at this point the complete table to which I have been referring.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Program results, Oct. 17, 1933 to June 30, 1965

[In millions of dollars]

Corn and feed grains:	
Price support costs ¹	4,591.9
Public Law 480.....	1,052.1
Direct payments.....	4,038.2
Total.....	9,682.2
Wheat:	
Price support costs ¹	3,168.3
Public Law 480.....	9,517.1
International Wheat Agreement.....	1,464.6
Direct payments.....	453.4
Total.....	14,603.4
Rice:	
Price support costs ¹	407.3
Public Law 480.....	993.0
Total.....	1,400.3
Tobacco:	
Price support costs ¹	43.0
Public Law 480.....	306.5
Total.....	349.5
Cotton, upland:	
Price support costs ¹	2,228.8
Public Law 480.....	1,823.8
Direct payments.....	548.8
Total.....	4,601.4
Dairy products:	
Price support costs ¹	4,183.7
Public Law 480.....	308.6
Total.....	4,492.3

Program results, Oct. 17, 1933 to June 30, 1965—Continued

[In millions of dollars]

Oils and oilseeds:	
Price support costs ¹	665.1
Public Law 480.....	933.9
Total.....	1,599.0
Potatoes:	
Price support costs.....	478.6
Public Law 480.....	1.8
Total.....	480.4
Wool:	
Price support costs.....	116.0
Direct payments.....	468.5
Total.....	584.5
All other commodities:	
Price support costs ¹	164.3
Public Law 480.....	282.7
Total.....	447.0
Total, all commodities.....	38,239.8
Other costs:	
Strategic and critical materials.....	1,387.3
Offshore procurement premiums.....	1.7
Other.....	3.6
Ocean transportation on sec. 416.....	307.2
Storage facilities.....	13.0
Research expenses.....	7.8
Accounts and notes receivable.....	15.9
Interest expense.....	3,822.9
Operating expenses.....	855.8
Disease eradication.....	218.8
Wartime consumer subsidy.....	2,102.3
Total.....	8,736.3
Total, all costs.....	46,976.1

¹ Price support costs include price support losses, export subsidies, and other costs reimbursed CCC through appropriations to restore capital impairment.

Source: CCC. All data subject to minor adjustment.

Mr. ELLENDER. This table is a vivid picture of the cost of the whole program, showing the various amounts spent through price support, direct payments, and the Public Law 480 costs for each commodity.

There is another point that I wish to emphasize. Although the costs to which I have referred seem large, there is not a country in the world whose inhabitants spend less of their income to purchase food than the people of the United States.

This process of reduced food costs has been going on for some time. I have the figures to show what has happened since 1954. In 1954 consumers spent 22.4 percent of their disposable income for food. That cost has gradually been going down from year to year, until in 1964 it required only 18.5 percent of the income to buy all the food necessary.

Let us compare that with England, where consumers must spend more than 30 percent of their income to purchase food. Compare it with Russia, where it requires 50 percent of the income to buy food. Here in the United States, because of our great abundance, we have been able to make it possible for our people to be well fed, and for the cost of the food in proportion to the income received to go down.

When I first came to the Senate, it required 42½ million acres of land to produce the cotton that can now be grown on 16 million acres. The same thing holds true for practically all commodities. The only difference is in the degree. Take the case of tobacco. We produce as much tobacco on 1 acre today as was produced on 2½ acres only 20 years ago.

When the first wheat bill was enacted, back in 1938, the yield of wheat was 11.6 bushels per acre. Today it is 27 bushels per acre.

In connection with the cost of food to the consumer, I had the staff, through the Department, estimate how much more the consumers would have had to spend for food in 1964, had they spent 22.4 percent of their income as they did in 1934. If consumers still had to spend 22.4 percent of their income for food the total food bill would have been increased by about \$18 billion. This means a total savings to the consumers of \$18 billion.

By reason of the fact that there has been a gradual percentage decrease in the amount necessary for food, families were able to spend \$18 billion for purposes other than food.

Another interesting comparison is that the spendable earnings from factory work will buy more of most food items than they would have bought 10 years ago. The figures for some of the items are as follows:

White bread: 1954, 9.7 pounds; today 10.9 pounds.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. I am interested in the figures the Senator is giving. I believe that what is true of wheat is true of most other farm commodities.

Today wheat is selling for less than it did in 1947-49, yet the cost of operation is two or three times as high as it was then. I believe this is true of most other farm commodities. No other segment of our economy has become more efficient in the production of its commodities than farming.

Mr. ELLENDER. The Senator is correct. The figures I am citing prove that to be so.

In 1954, 1.8 pounds of round steak could be purchased for 1 hour's work; today the amount is 2.2 pounds. Chickens, 3.1 pounds; today, 6 pounds for an hour's work. Milk delivered in quarts, 7.2; today, 8.6. In 1954, an hour's work could buy 2 pounds of butter; today it is 3.2 pounds; bacon, 2 pounds, in contrast with 3.4 pounds. Today, 4.2 dozen eggs can be bought, whereas in 1954, only 2.8 dozen eggs could be bought for an hour's work.

Although program costs have been high, the facts show that consumers have greatly benefited from the abundance of food and fiber grown on our Nation's farms.

I wonder how much it would have cost the people if they had not had large supplies of food during and after the war. They would have had to pay through the nose. Fortunately, laws had been enacted to assist farmers to grow more and better foods for our needs.

I will not say that the situation today is aggravating, but it seems to me that it ought to be possible to enact legislation to reduce expenses further and to produce the food necessary for our requirements, instead of storing it.

There is a widespread misunderstanding about the relationship between farm prices and food prices. Many people seem to think that the rise in retail food prices during the past 10 years has been caused by rising prices received by farmers. Just the opposite is true. Relatively low prices received by farmers have been an important factor in keeping the advance in food prices within reasonable bounds.

In 1964, the retail cost of the farm-food market basket was \$1,015, \$82 more than in 1954. The farm value of the foods in the market basket was \$373, \$25 less than 10 years earlier. The farm-retail price spread was \$642, \$107 more than in 1954. The farmer's share of the retail food dollar was 37 percent in 1964;

in 1954, it was 43 percent. This is clear from the next table:

Year	Retail cost	Farm value	Farm-retail price spread	Farmer's share (percent)
1954.....	\$933	\$398	\$535	43
1964.....	1,015	373	642	37
Change from 1954 to 1964.....	+82	-25	+107	-6

Take the case of bread. As the next table shows, the average retail price of a 1-pound loaf of white bread in the United States was 16.3 cents in 1954. Of this, the farmer got only 3.3 cents for all the ingredients he furnished. Last year, this price had risen to 20.7 cents. The farmer got only 3.2 cents, but the manufacturers and distributors from the farmer to the consumer got 4½ cents more.

Year	Retail price	Farm value		Farm-retail spread	Farmer's share	
		All ingredients	Wheat		All ingredients	Wheat ¹
	Cents	Cents	Cents	Cents	Percent	Percent
1954.....	16.3	3.3	2.7	13.0	20	17
1964.....	20.7	3.2	2.5	17.5	15	12

¹ Beginning July 1964 includes value of domestic marketing certificate.

Many people forget that farm programs make an important contribution to the life of our whole economy. Several independent studies agree that in the absence of price support and acreage diversion programs, realized net farm income would have averaged about \$6 billion a year, less than half the current level.

Such a decline in farm income would be an unmitigated disaster whose ramifications would spread throughout the entire economy. The \$6 billion level of farm income would support a value of farm real estate of only about a fifth of its current value. A large number of defaults and foreclosures of farm real estate debts would be inevitable. The resources of country banks would suffer a severe shock. Farmers' ability to purchase nonfarm production goods such as farm machinery, petroleum products, and fertilizer; to hire labor; and to pay taxes and interest would be drastically reduced. The tax base of many State and local government units would be seriously impaired.

Agriculture contributes substantially to the well-being of our national economy. He is a good customer.

The farmer spends \$28 to \$29 billion a year for goods and services to produce crops and livestock; another \$15 billion a year for the same things that city people buy—food, clothing, drugs, furniture, appliances, and other products and services.

Each year the farmer's purchases include \$3.1 billion in new farm tractors and other motor vehicles, machinery, and equipment. About \$1 billion was spent in 1959 by the primary iron and steel industry for equipment and new plants; \$3.3 billion for fuel, lubricants,

and maintenance of machinery and motor vehicles. Farming uses more petroleum than any other single industry; \$1.6 billion for fertilizer and lime; products containing 320 million pounds of rubber—about 9 percent of the total used in the United States, or enough to put tires on nearly 6 million automobiles; 28 to 30 billion kilowatt-hours of electricity—or more than 4 percent of the Nation's total, or more than is needed annually by Baltimore, Chicago, Boston, Detroit, Houston, and Washington, D.C.; 5 million tons of steel in the form of farm machinery, trucks, cars, fencing, and building materials. This is one-third as much steel as the automotive industry uses.

FARMERS ARE CREATORS OF EMPLOYMENT

Three out of every ten jobs in private employment are related to agriculture.

Ten million people have jobs storing, transporting, processing, and merchandising the products of agriculture.

Six million people have jobs providing the supplies farmers use.

Here are a few examples from the 1958 Census of Manufactures:

Meat and poultry, including meatpacking, prepared meats, and poultry dressing plants—311,758 employees and a payroll of nearly \$1.5 billion.

Dairy, including fluid milk, concentrated and dried milk, natural cheese, creamery butter, ice cream, and special dairy products—293,802 employees and a payroll of more than \$1.3 billion.

Baking, including bread and related products and biscuits and crackers—301,296 employees and a payroll of more than \$1.3 billion.

Fruits and vegetables, canned, frozen, and processed as pickles and sauces—

166,711 employees and a payroll of \$545 million.

Cotton broadwoven fabrics industry—243,419 employees and a payroll of \$724 million.

IT IS AN EFFICIENT, PROGRESSIVE INDUSTRY

One hour of farm labor produces more than five times as much food and other crops as it did in 1919–21. Crop production is 75 percent higher per acre. Output per breeding animal is 92 percent greater.

Productivity of the American farmworker in the 1950's increased by 5.4 percent a year. Output per man-hour in nonagricultural industry increased by 2.1 percent a year.

One farmworker produces food, fiber, and other farm commodities for himself and 28 others.

HE IS A TAXPAYER

In 1963—

Farm real estate taxes totaled \$1½ billion.

Tax on personal property on farms was another one-third of a billion dollars.

Federal and State income taxes paid by the farm population amounted to \$1.5 billion.

Net taxes paid by farmers on motor fuels were \$450 million.

Motor vehicle license fees and taxes paid by farmers were about \$175 million.

Sales taxes totaled about \$350 million.

FOOD SUPPLIER TO THE WORLD

The United States is the world's largest exporter of agricultural products.

Sixty-three million acres of our 300 million harvested acres produce for export. The land producing for export represents about the same acreage of cropland as that harvested in Nebraska, Iowa, and Kansas.

Some \$5.6 billion in farm products were exported in 1963.

ABUNDANCE WORKS FOR PEACE

American agricultural abundance is a powerful force for world peace. Our food and other farm products are helping to relieve hunger and to promote economic growth in the newly developing countries of the world. Our wheat is providing an additional 5 billion loaves of bread a year for the people of India.

We accept foreign currencies from countries that need our farm products but are short of dollar exchange. We also barter or trade our agricultural products for essential foreign goods and services—more than \$1.6 billion worth since July 1, 1954.

FARMING IS FOOD

Each of us in 1963 consumed these and other products of farm and ranch: 171 pounds of beef, veal, pork, lamb, and mutton; 38 pounds of chicken and turkey; 175 pounds of fruits—fresh fruit equivalent; 230 pounds of vegetables—fresh vegetable equivalent; 634 pounds of dairy products—whole milk equivalent; 100 pounds of potatoes and 6 pounds of sweetpotatoes—fresh equivalent.

We can choose from as many as 6,000 different foods when we go to market—fresh, canned, frozen, concentrated, dehydrated, ready-mixed, ready to serve, or in heat-and-serve form.

CLOTHING

In 1963, we used: 4 billion pounds of cotton, or more than 21 pounds per person—that is the equivalent of about 23 house dresses, or 34 dress shirts, for every man, woman, and child in the Nation; 412 million pounds of apparel and carpet wool, more than 2 pounds per person; and research has given these natural fibers new qualities. Specially treated cotton resists everything from wrinkles to fire. Wool can be treated to keep it from shrinking when it is washed to retain pleats in skirts and creases in trousers.

SHELTER

It takes 1 acre of healthy forest 20 years to grow the lumber for a 5-room frame house.

Farmers and other small woodland owners control 54 percent of the Nation's commercial forest; three out of four forest owners are farmers.

AND OTHER PRODUCTS

Paper. About 400 pounds of paper per person is used each year. This requires the net annual wood growth from about three-quarters of an acre of commercial forest. A large New York paper uses the equivalent of the net annual growth from 6,000 acres of commercial forest land for its Sunday issue, or the net annual growth from 500,000 acres every year.

And the day of the wood-burning rocket may arrive. Nitrocellulose, derived mainly from woodpulp, is a major ingredient of some solid-fuel propellants of rockets.

What does the farmer receive for food? Thirty-seven cents of each \$1 spent for food; 2.5 cents for the corn in a 28-cent box of corn flakes; 56 cents of each \$1 spent for choice beef; 2.5 cents for the wheat in a 22-cent loaf of white bread. About 11 cents from a 25-cent quart of milk.

For clothing? About 28 cents for the cotton in a man's \$4 business shirt.

For shelter? About 25 cents stumpage for each \$1 worth of pine lumber produced from his woods.

Income from his labor and capital?

Farm people in 1963 received \$36.2 billion in sales of crops and livestock, over \$10,000 per farm; with a net income for farm operators of \$12.3 billion from farming, \$3,400 per farm; \$1,480 of personal income per capital—\$970 from farm sources and \$510 from nonfarm sources. Per capita personal income of nonfarm people was \$2,515 from all sources; \$1.01 an hour income for farmwork. By contrast, 1 hour's work in a factory averaged \$2.46, and hourly earnings in food marketing averaged \$2.17.

In terms of an hour's work: 1 hour's work in a factory buys more food today than it did 20 or 30 years ago. Pay for 1 hour's factory labor would buy—

Round steak: 2.3 pounds in 1963; 2 pounds in 1942; 1.5 pounds in 1932; or

Bacon: 3.6 pounds in 1963; 2.2 pounds in 1942; 1.8 pounds in 1932; or

Milk: 9.5 quarts in 1963; 5.7 quarts in 1942; 4.1 quarts in 1932; or

Oranges: 2.7 dozen in 1963; 2.4 dozen in 1942; 1.5 dozen in 1932; or

Bread: 11.4 loaves in 1963; 9.8 loaves in 1942; 6.3 loaves in 1932.

As compared with other products: Food costs have risen less since 1947–49 than most other consumer items in the cost-of-living index. For all items on the list, the increase in cost to 1963 was 31 percent. For all food, the increase was 24 percent. For rent, it was 47 percent, and for medical care, 69 percent.

The farmer gets none of the increase in cost for the food he produces. In fact, he receives 15 percent less for the farm food market basket than he did in 1947–49. The total cost of farm-grown food has risen only 15 percent, although processing and marketing costs have increased 44 percent since 1947–49.

Earlier this year the committee held hearings for more than a month, and a thorough study was made of all the testimony introduced. After the bill that is now being considered was passed by the House, the committee spent about 2 weeks, day after day, reviewing the various proposals that were made to the committee, and, of course, the bill passed the House.

In some instances, the bill passed by the House followed the administration's view, particularly with respect to corn and other feed grains. To a certain extent, it followed the administration's proposal as to cropland adjustment.

But the House committee saw fit to strike from the bill the title dealing with rice which was recommended by the administration.

The administration bill contained no provision for cotton. The House bill provides a cotton section.

When the measure came before the Senate committee, we considered the administration's bill, as well as the House bill and all other bills before the committee. It was quite a task to study those complicated bills and from them present to the Senate a bill which I believe should be supported by every Member of the Senate. It is true that there were differences of opinion as to what ought to be done as to various commodities. We had quite a hassle on cotton with my good friend, the Senator from South Carolina [Mr. RUSSELL], who is now presiding over the Senate.

We did not have too much trouble with wheat, but I wish to stress the view that what the Committee on Agriculture and Forestry sought to do was to protect the producer of the commodities, and not those who used the raw products by way of manufacture, such as the flour mills. The bill represents an effort to assist the producers of these commodities to keep them in business. That is what we sought to do.

When the administration bill was sent to the House and Senate, let us say, in the case of wheat, there was no guarantee of any kind in that bill which would fully protect the wheat farmer. Much was left to the discretion of the Secretary of Agriculture. As we all remember, the wheat provision advocated by the Department would never have passed the House in the form as introduced, because it was stated that an attempt was made to transfer some of the cost of the program to the consumer, instead of letting the Treasury pay the cost as in the past.

What the House did as to the wheat provision was to provide farmers with full parity on the wheat necessary for domestic consumption, which is approximately 500 million bushels, or approximately 45 percent of their production. The blend price received by the farmers for that wheat—that is, the 500 million bushels, plus what they would receive for the rest of their wheat on sale on world markets—was in the neighborhood of \$1.81 a bushel.

The House did not intend that export certificates would be charged on shipments abroad. In other words, the wheat was left free to be sold at world prices. But domestic millers would still be required to purchase certificates just as they did last year and this year and at the same value. Producers would receive that 75-cent value plus 50 cents from the Government. This amount plus what they would receive on the world markets would give the wheat-grower about \$1.81 a bushel.

The Senate attempted to improve the situation—that is, more or less provide a guarantee of \$1.90 a bushel for the wheatgrowers. The Senate committee went a little further than the House did, insofar as compensating the producers of wheat was concerned. We had three proposals before us; namely, the House version, the version of the Senator from North Dakota [Mr. Young], and the version which I proposed.

Of course, we had the administration's proposal, which we discussed a moment ago, which gave considerable discretion to the Secretary of Agriculture without the guarantee of the Senate bill.

The aim of the committee as a whole was to make certain that the farmer had a guarantee of so much per bushel for his production. I believe that it should be the policy of the committee to take as good care of the producers as we can, in order to keep them in business.

The version which I proposed would have given to the farmers the same return, but in a different way. My proposal would have increased the number of certificates issued to producers—artificially, of course—a number of certificates on which the farmer would be paid a certain sum from 500 million bushels to 750 to 800 million bushels. Thus, the farmer would receive approximately the same amount under the proposal I made as he would receive under the House proposal.

After discussing all proposals, we finally concluded on following the proposal that was presented by the distinguished Senator from North Dakota [Mr. Young].

His proposal makes a return to the farmer of \$1.90 a bushel, 9 cents more than the bill which I proposed and which the House proposed.

The method followed by my good friend, the Senator from North Dakota, was to make \$1.90 a bushel available on all wheat which was produced by those who participated in the program, which is purely voluntary. That method, of course, may be improved upon, but I sincerely hope that no effort will be made by the Senate to cut back on the returns of those upon whom we are dependent for

food and fiber, because if we continue cutting back, there is no doubt in my mind that we will force those who produce our very lifeblood to gradually go out of business.

Mr. President, I am determined to see to it that the producers of these commodities receive a fair share of our prosperous economy. The only way that that can be done, as I see it, is through a continuation of some kind of parity support, and probably direct payments.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I am glad to yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I commend the Senator from Louisiana, the chairman of the Agriculture and Forestry Committee, for the fair and accurate analysis of the wheat provisions now in the bill, and all the other proposals.

To me, it is almost unbelievable that the Senator could remember all the technical provisions of the various farm programs.

The Senator spent long hours, as chairman of the committee, presiding over the long markup hearings that would try the patience of Job. He listened to arguments and wrote a bill which I think, on the whole, is a very good bill.

The bill would extend the present program, with some simplifications and improvements.

The senior Senator from Louisiana is entitled to great credit for what he has accomplished thus far.

Mr. ELLENDER. Mr. President, I thank my good friend the Senator from North Dakota.

I ask Senators not to pin me down to too much detail as to these bills. I am merely trying to explain what I understand to be the purpose of the bills.

I am sure that our staff agrees with what I said as to the purpose. However, we must depend largely on our lawyers to put the proper language in the bills so as to accomplish the purpose and intent.

I have read the bills over and over. I have been wrestling with the farm program for 29 years. I should know a little about the subject. The committee members have been most helpful.

I do not like to say this, but it is true. This year the Committee on Agriculture and Forestry has become a trifle unpopular with new Members of the Senate. When I first came to the Senate in 1937, the prize committees in the Senate were the Committee on Agriculture and Forestry and the Committee on Appropriations. They were the committees on which every Senator desired to serve. No one wanted to serve on the Committee on Foreign Relations, because there was nothing to it.

The Committee on the Judiciary had very few applicants.

I do not like to say it but it is true. No new Senators were asking for a berth on our committee, even though five vacancies existed on the committee this year. We had to draft Senators and ask them to serve.

I am glad to say that they enjoy the work. They do not find it as hard as they thought it was, though it might require a little more study and work than would be required on several of the other committees.

Mr. ERVIN. Mr. President, will the Senator yield? I want to make an observation.

Mr. ELLENDER. The Committee on the Judiciary involves a great deal of work. I do not know how much has been accomplished, but a great deal of work is done in that committee.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ERVIN. Mr. President, I make the observation that perhaps the reluctance of new Senators to seek a berth on the Committee on Agriculture and Forestry arises from the fact that they realize the great task which that committee performs and the difficulty of its performance by reason of the fact that one of the most brilliant and important Senators, my good friend, the senior Senator from Louisiana, has been unable, despite his many years of diligent service on that committee, to devise a bill which would solve all the problems of agriculture to the satisfaction of everybody concerned.

Mr. ELLENDER. Mr. President, if I were able to do that, I would not be in the Senate. I would be somewhere else.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. Mr. President, I commend the chairman of the Committee on Agriculture and Forestry and the other members of the committee for a very fine piece of work in presenting the Senate with legislation which will, I hope, improve somewhat the income of the American farmers.

I do not believe that anyone can state that the farmer is receiving his fair share of the national income when parity is about 75 to 78 percent. I believe that the records will show that at the present time the distinguished chairman of the committee has correctly mentioned that agriculture is not only rendering service to the consumers of the Nation but is also entering into a program of assisting in our peace programs in the world. It is the lowest paid of any segment of the American economy.

Before I close, I desire to say that, coming from a wheat State that produces one-fourth of the winter wheat of this Nation, I am indebted to the committee, and particularly to the distinguished Senator from North Dakota [Mr. Young], for the section in this bill which I understand is largely the section of the Senator from North Dakota.

I am proud of the fact that, early in the session, I cosponsored the measure with him. I believe that it will add much to the income of the wheat growers and the stabilization of the entire wheat section, based on a 4-year program.

There is only one way to bring about increased agricultural income. That is based on payments from a program or a direct increase in commodity prices, either a subsidy from the Treasury or commodity price supports. I hope that

we can bring about increased agricultural income in the price field rather than by means of a subsidy from the Federal Government.

I appreciate the work done by this committee.

Mr. ELLENDER. Mr. President, I hope that the time will come when that can be accomplished. That really is the aim of the committee. It may come when we have been able to cut back on the enormous surpluses that have been permitted to grow so large.

As the Senator knows, we shall deal with the feed grain program. That program was brought about through a special program in February 1961. There was a surplus of 84.7 million tons of feed grain on hand, when less than half of that would have been sufficient. In order to bring about a decrease in this enormous surplus, I reluctantly agreed to go along with the first bill that was enacted on corn and other feed grain programs.

This was done in order to make it possible to reduce the surpluses by paying farmers not to plant.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I join my colleagues in commending most warmly the distinguished Senator from Louisiana, who so brilliantly heads the Committee on Agriculture and Forestry, for his long, arduous, cooperative, and successful work. I call attention to the fact that the Committee on Agriculture and Forestry deals with much more than the problems of the producers.

I believe that new Senators who have not wished to serve on the committee have not been animated by any disregard of the able leadership of the chairman, but rather by the onerous duties that confront the committee, in addition to handling all the items of price support and the problems of production, marketing, and the like that affect agriculture directly.

I want the RECORD to show that the Committee on Agriculture and Forestry now has jurisdiction, to a large extent, of the problems involved in foreign policy. For example, under Public Law 480, there are four different branches of operation in connection with the disposition of our surplus food. There are sales for soft currency under one title. Under another title we have sales for cash or on long-term credits. Under another title we have the bartering of surplus commodities for strategic materials. Then, under another section, we have the supplying of our surplus commodities to bring famine relief to nations which need it.

All those objectives deal with the foreign policy of this Nation. Yet, they fall within the jurisdiction of this committee and have been most ably handled by the distinguished chairman of the committee.

I want the RECORD to show that no Senator has made greater contributions in these various fields than has the distinguished chairman of the committee, in visiting the countries which are utilizing our great agricultural production.

Second, in addition to the truly agricultural objectives which the committee serves, we have a great number of social and welfare programs, as members of the committee know, but which the general public does not know—for example, the food stamp program, the distribution of surplus commodities to welfare recipients and to public institutions, the school lunch program, and the school milk program. I have not even mentioned the International Wheat Agreement program, which is one of the programs that have to do with our foreign policy.

I want the RECORD to show that this committee is led by a most able and far-seeing chairman. The committee has dealt with not only the problems of agricultural producers, but also substantially with many other problems in other fields.

The chairman, in particular, and the committee in great measure, deserve credit for having worked hard and diligently, and many times successfully, in dealing with far-reaching programs of our Nation, in fields far from the actual farm problem.

I thank the Senator from Louisiana for yielding to me. I again commend him. I do not know of any committee in the history of the Senate that has had more diligent or more cooperative leadership.

Mr. BASS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BASS. Mr. President, I join my colleagues in commending the chairman and the committee for their work. I served for 8 years on the Committee on Agriculture in the other body before coming to this body. I have learned something of the problems of trying to write a fair and equitable piece of agricultural legislation. I have not learned how there can be a solution of the problems. I have learned of the impossibility. Because of the varying nature of farm problems and the differences in opinions and nature of human beings, it is impossible to write a permanent farm program which can be dealt with nationally.

The Senator from Louisiana presides over the committee in a most democratic and fair manner. He is as fair as any man I have ever dealt with during my service in the Congress. I know that during the deliberations on the bill and during the executive sessions, many problems were discussed. Regardless of how small a problem might seem to some of us, the chairman permitted a discussion, with deliberation, of any proposal made in an effort to arrive at a possible settlement in dealing with a major or minor farm problem.

Therefore, I commend the chairman of the committee for the manner in which he handled the bill and the manner in which he treated all members of the committee.

This bill is an attempt to solve important problems, even though temporary, that might arise in agriculture.

There are some sections of the bill with which I do not agree, but we are discussing the bill itself. There may have been some differences with respect to certain amendments, but I am speaking of the legislation in its entirety at this moment.

I did not want this opportunity to pass without joining my colleagues in commending the distinguished chairman of the committee.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TALMADGE. I am delighted to join in the statements made by our colleagues on the Committee on Agriculture and Forestry on both sides of the aisle regarding our able, efficient, and distinguished chairman, the senior Senator from Louisiana [Mr. ELLENDER].

It has been my privilege to have served on the Committee on Agriculture and Forestry the entire time I have served in the U.S. Senate. I do not know of any Member of this body who works harder or more diligently than does the chairman in facing complex problems such as our Nation's farm problems.

As has been said, our chairman is most fair in hearing every viewpoint with respect to problems which might face the committee. He has never taken a dictatorial attitude toward any policy or phrase or objective the committee might undertake, or the personal views of any member.

The particular bill which is now before the Senate was debated in executive session, morning and afternoon, for 8 long days. It was tiring and complex. All during that time our chairman kept his calm and demeanor at times when acrimony might have spilled over into the discussion.

I again compliment a dedicated and able American, the chairman of the committee.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. EASTLAND. I join in the remarks which have been made by our distinguished colleagues with respect to the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER]. He knows more than any other Member of Congress about agriculture. He is one of the most able chairmen in the Congress. He conducts the deliberations of his committee with distinction and with fairness to everyone. Although all of us may not agree with all sections of this bill, everyone of us had an opportunity to present his viewpoint and his thoughts, and the result has been a bill that I think is fair. The distinguished Senator from Louisiana has done an outstanding job as chairman of the committee and as a Senator from his State.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JORDAN of North Carolina. Mr. President, I join my colleagues on the Committee on Agriculture and Forestry on both sides of the aisle in paying tribute to the distinguished chairman. Since I first came to the Senate I have had a great deal of pleasure, as well as hard work, on the committee.

As has been ably said by some of the other members of the committee before me, we do not always agree on everything that has been said or done by the committee, but there has never been a

time when the issue has become personal. Such discussions have always been in a spirit of cooperation. The chairman has always heard every member of the committee to the fullest. Their wishes and their views have always been considered and made a part of the record.

I am proud to be on the committee under the distinguished chairman. There is no question that he has a greater store of knowledge on this subject than has any other Member of this body. There are very few questions one can ask the chairman that he cannot answer without looking at the book. It is really a great committee. I am proud to be on it. Although we have not agreed on some portions of the bill, because of differing viewpoints, I am proud to be able to work on major legislation in that important committee.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. Mr. President, this is the first year I have had the privilege of serving on the Senate Agriculture Committee under the chairmanship of the distinguished senior Senator from Louisiana. I have been fortunate enough, during my service in the Senate, to serve under some very able Senators as chairmen of committees. I have not had the experience of serving under any chairman who has operated unfairly or without giving consideration to all viewpoints.

I do not know how any committee could possibly be operated better than the Senate Agriculture Committee has been. Neither can I comprehend how a chairman could operate any more fairly than has the chairman of that committee.

During the hearings, each member of the committee has been given complete discretion as to the amount of time devoted to questions. Of course, they must be asked in order, but there has never been any cutting off of questions. The chairman has patiently sat through the long explanations sometimes offered, which I am sure he had heard many times before, in an effort to make it clear to all members of the committee and all persons viewing the hearings that this is a fairly operated committee.

During the deliberations—which were long, tedious, and most controversial, as is bound to be the case with an omnibus farm bill—each member of the committee was given ample opportunity to set forth his views. Our chairman was understanding, patient, and keen of insight. I join my colleagues on the committee in wishing him to know that we appreciate the opportunity to have served under him.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Kentucky.

Mr. COOPER. Knowing the Senator as one who devotes his time and interest to work, and knowing him to be exceedingly modest, I am not too sure he wishes to be overburdened with tribute.

But this is my sixth year of service on the Senate Agriculture Committee, and I have found it a most satisfactory and rewarding service. The Agriculture Committee deals with an industry which

is forgotten at times, but which is the largest industry in the United States, and basically the most essential, because it provides the food and clothing for the people. I have known, from experience in other countries, the problems a country faces when it cannot feed and clothe its people. America should be very proud that it does feed and clothe its people, and also the people of many other countries.

So the Senate Agriculture Committee is a great and important committee. I am glad to be a member of it also because agriculture is the greatest single industry in my own State, as it is in other States.

Perhaps we may gain some satisfaction from the knowledge that while the farm problem is difficult and at times may seem impossible of permanent solution, and may not be very clearly understood by most of our people, we on the Agriculture Committee may know something more about the problem than others. I join my colleagues in saying that one of the great satisfactions is to serve under a chairman so fair, impartial, and thorough, who exercises a leadership which I believe enables us at least to do the best it is possible to do with this difficult program.

A few days ago, I estimated the number of hours that the committee had spent in executive session discussing this bill. I think it was almost 50 hours. I do not know whether any other single bill has received such exhaustive attention. Such thoroughness has been due to the leadership and the attitude of the chairman. So I feel happy to have been a member of the committee, under the chairmanship of the distinguished Senator from Louisiana.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I wish to join in what has been said about the chairman of our committee. I have already said it so often that it may become monotonous. It has been a lifesaver to serve under a chairman who has been so fair, so willing to listen to the arguments of both sides, so willing to have his own motions voted down and not become angry. We have been fortunate indeed.

I am sure the Senate is not, at this time, planning to enact permanent farm legislation. There is no such thing as permanent farm legislation, because the agricultural situation changes so fast that no program can be permanent.

I know that in respect to certain commodities, we are in difficulty. I do not agree that we have large surpluses in this country. I would confine our surplus list to cotton and tobacco; and tobacco has already been legislated upon this year.

We hope that, in conjunction with the House of Representatives, legislation may be devised which will work. Should it be legislation I disagree with, I will still try to help make it work, though I may be on the losing end with respect to some of it. I do not yet know whether I shall be or not. I assume that perhaps I shall be before we are through.

Great tolerance has been exhibited by

all members of the Agriculture Committee. They do not tear their hair when they find themselves on the losing end of a vote; neither do they try to tear their opponents' hair. Much of this tolerance has been due to the patience shown by the chairman of the committee. So we are very fortunate, as I have already told the committee.

Speaking of permanent farm legislation, I believe the chairman proposed that a part of it, at least, run for 7 years. Four-year legislation would be "permanent," but 7 years would be "eternal" so far as farm legislation goes.

I am happy to add my remarks to what has been said about our chairman, the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I am, of course, most appreciative of these fine remarks about my chairmanship. But I should feel more at ease had the remarks come after the bill as presented is enacted. I fear that this is merely a calm before the storm.

I am hopeful, however, with all these fine commendations from Senators who worked with me on the committee, that the bill as presented will come out more or less intact.

Mr. AIKEN. If the Senator will yield a moment further, I am sure the RECORD of today's proceedings will be printed before final action is taken on the bill, and I shall be glad to read my remarks again if it would make the chairman any happier.

Mr. PASTORE. Mr. President, will the Senator yield for a brief observation?

Mr. ELLENDER. If I may yield without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. It is the strong conviction of the Senator from Rhode Island that the chairman will come out unscathed, but I am hopeful that his bill will not.

Mr. ELLENDER. Before I was interrupted to listen to Senators speak of the fairness of the chairman and other matters, I had barely started on title II of the bill, dealing with the feed grain provision.

I am not at all satisfied with the feed grain program. I am speaking, of course, personally. When the feed grain provision came to us in 1961, I reluctantly agreed to go along, in the hope that we could later enact a bill which would truly be effective in curtailing our surpluses. We have had acreage controls on all the commodity programs in the past, and I have always felt that any farmer who expects his Government to support the price of the commodity he produces should be willing to reduce his production in keeping with our requirements.

As I said, I joined the forces to enact the feed grain bill in 1961, in the hope that in the meantime we could enact a law which would call for acreage control, marketing quotas, and penalties for overproduction.

I tried on several occasions to put such a bill through the Senate. I succeeded once. I tried again before the committee during the past month, but I could not get sufficient support in committee in order to provide for acreage controls. I realized that in the past it

had been very difficult to provide farmers who grow corn and other feed grains with a realistic program of acreage control, marketing quotas, and penalties. I realized that it would be futile for me to try to persuade Congress or the Senate to agree to my proposal. Therefore I do not intend to offer it. I am willing to go along with the bill as presented.

I believe we have made a few improvements in the feed grain program; and if it is used by the Secretary of Agriculture, there is no question that it will help us to persuade more farmers to join the procession of cutting back on production.

In the bill that was presented by the Department of Agriculture, not too many changes were suggested from the present law.

When the House passed title II very few changes were made in respect to the existing law. The Senate committee made some improvements in the bill. As Senators know, we have a base acreage for the production of corn and other feed grains. In order to persuade farmers to cut back on their acreage, we have a voluntary diversion program with payments. This program, being voluntary, has in a measure reduced our surplus, but at great cost to the taxpayers, in my opinion.

The program was supposed to curtail our surpluses by a greater amount than is now evident. Since the special program has been in effect, it has cost the Government only \$5.4 billion to bring the surplus from a high of 84.7 million tons to about 54 million tons. The other day I calculated that in order to accomplish this, the cost per bushel was almost \$6. This, in my opinion, is due to the fact that it is a voluntary program. Those who comply with the program do so to obtain diversion payments and price supports, and in doing so they hold an umbrella over those who will not join and who will not try to curtail production.

For instance, consider the State of Iowa. There, as I recall, 65 percent of the farmers cooperate. However, the 65 percent control only about 25 percent of the land that is planted to corn, and only 14 percent of the production of corn in the State of Iowa.

What is really happening is that a few farmers who join the voluntary corn program hold the umbrella over those who do not join, by reducing corn production and thereby keeping the market price of corn at about the support price.

As I said a moment ago, that is not the proper way, in my opinion, to reduce our surpluses in a realistic way at lowest cost.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I should like to finish this point. I shall yield to the Senator in a moment.

The bill would permit the Secretary of Agriculture to make it more desirable for noncompliers to come into the program. We do not seek abruptly to reduce the price support level from \$1.05 to 85 cents, as my proposal was intended to do, but rather we would let the Secretary of Agriculture fix the price support level at 65 to 90 percent of parity,

and then gradually lower the loans supplemented with the direct payments.

In that way as the loan decreases per bushel the direct payment increases. The farmer can be assured of \$1.25, or whatever figure the Secretary of Agriculture deems proper, provided that it is not under 65 percent of parity, nor over 90 percent of parity.

The proposal I submitted to the committee would have required the Secretary of Agriculture to impose acreage controls, marketing quotas, and penalties. If my proposal failed of approval by two-thirds of the producers of corn, then the price support would abruptly go back to 50 percent of parity or about 80 to 85 cents a bushel.

But that proposal failed, and the distinguished Senator from Kentucky [Mr. COOPER] offered a proposal to make it possible for the Secretary to reduce gradually the support price from the present \$1.05 to perhaps \$1 next year and 95 cents the year after, until the price was reduced to 85 cents within the next 4 years.

Whether the Secretary will be able to do that remains to be seen, but he has that authority provided. However, in exercising that authority there must not be an adverse effect on the production and price structure of poultry, cattle, hogs.

I hope that the Secretary will follow that advice, though it is not mandatory that he do so. The suggestion is written into the report. It is our hope that he will exercise the right.

Another suggestion made by the Department was adopted. I believe it may result in greater participation by the farmers who now do not participate. That suggestion is to pay farmers a larger sum in order to have them take more land out of production. The Secretary has the authority to make such payments, and we are told that the evidence shows that if he uses the authority, the withdrawal of land from production can be done without increasing the cost of the program. It will make the program more attractive to the noncooperatives to take more of their land out of production by providing a greater payment.

The distinguished Senator from Iowa [Mr. MILLER], who is a new member of the Committee on Agriculture and Forestry, made a good suggestion. It is an alternative plan to the one the Secretary of Agriculture now follows. The Senator's suggestion is to lay more stress on taking out of production land with high corn yields instead of land that is not so productive. I mention that as an alternative, in the hope that the Secretary may be in a position to find ways and means of using the plan suggested by the distinguished Senator from Iowa.

The only fault that I find with the plan of the Senator from Iowa is that he bases his proposal on a price support and does away with direct payments. I recall his stating that it was his hope that the present program with respect to crop land adjustment could be used to a larger extent in order to take much of the productive land out of cultivation, thereby substantially reducing the cost of the program and also the surplus. It may be

that that would work; I do not know. But I hope the Secretary of Agriculture will use that tool if the tools provided in the bill do not do a better job than they have done in the past.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MILLER. I thank the Senator from Louisiana. The Senator referred to Iowa and its corn production. I would like to make a few comments.

Sixty-five percent of Iowa farmers are in the program for 1965. Therefore, I do not believe that the Iowa farmers have any apologies to make for the degree of their compliance, because as the Senator pointed out, and as the committee pointed out on page 5 of the report, only 47 percent of the farmers, nationwide, are in the feed grain program. Iowa stands very high in the number of farmers participating.

I wish to emphasize again, as I did in committee, that regardless of what the Secretary of Agriculture does with the loan price, whether he leaves it at \$1.05, where it is today, or decreases it to \$1 or 95 or 90 cents, I doubt whether there will be a larger number of farmers in Iowa who will come into the program, for this reason:

There are three different kinds of farmers who were not interested in coming into the program. One is the group of small farmers whose acreage is so small that they do not dare to cut back their acreage if they wish to provide a decent living for themselves and their families. They are having a difficult time doing that now. They are not interested in coming into the program, and having to cut back their acreage.

Mr. ELLENDER. Are they farmers who feed direct to animals?

Mr. MILLER. No; it is the group of small grain farmers who cannot afford to reduce their acreage.

The second group comprises those who have a relatively low base corn acreage. They followed the crop planning practices recommended by the Department of Agriculture for a long time, practices which involved the rotation of crops and the planting of a certain amount of acreage to hay, a certain amount of acreage to corn, and a certain amount of acreage to oats.

They had neighbors who overplanted in corn, at least so far as the practices recommended by the Department of Agriculture were concerned. These farmers ended with a high base acreage of corn for 1959-60. The farmers who followed the good practices recommended by the Department of Agriculture ended with small base acreage. They believe they have been discriminated against by having lower base acreage than their neighbors who overplanted in corn. They are not interested in coming into the program either.

Finally, there is a large group of farmers who are going to feed all their own feed grain production and take their chances in the livestock market.

When we consider these three groups of farmers and realize that 65 percent of the Iowa farmers have come into the program, the Iowa farmers have no

apology to make, certainly not to other farmers around the country who have complied only to the extent of 47 percent.

The point I wish to make is that we are getting too much into a numbers game rather than a quality game, so far as compliance is concerned. The job will not be done nearly so well by increasing the number of compliances as by having those who comply, comply more effectively.

The Senator from Louisiana put his finger on the difficulty when he said that 65 percent of the Iowa farmers are in the program, yet 25 percent of the total acres are being taken out, and 15 percent of the corn acreage is being taken out. That is precisely the difficulty.

We should not be so much concerned about numbers as about inducing farmers to comply to a greater extent by taking acres out of production. That is what I find to be the main difficulty with the present program and the program which is contained in subtitle (A) of the bill.

It is this defect that the alternate program, which the committee also put into the bill, is designed to remedy.

I appreciate the Senator's comments that if the program does not turn out to be effective—and by "effective" we certainly mean, I am sure, effective in reducing production and doing so at a reasonable cost to the taxpayers—and if it continues to be the case, the committee intends for the Secretary of Agriculture to adopt the alternative plan, or at least to give it a fair trial.

I recognize that this is something new insofar as the approach is concerned. Farmers would receive increased diversion payments on their acreage with no production payments, but the program set forth in the alternative program is designed to make the diversion payments attractive enough to encourage farmers to come in, and be substantially as attractive as the first program. At the same time, it is calculated to encourage farmers willing to comply to take more acres out, and to do so preferably on a 5-year program, leaving the same acreage out year after year, and therefore be more effective in reducing production.

I believe the costs can also be reduced, but I thought it well to point out, so long as the Senator referred to my State, what my best judgment is as to the real problem in Iowa. I doubt very much if the Secretary of Agriculture will use the authority contained in the Cooper amendment—which I could not support because of my views on this question—or that it would result in much greater numbers of compliers because of the three groups of farmers to which the Senator referred.

Mr. ELLENDER. I appreciate the views of my good friend, the Senator from Iowa, but, as I said, there is an alternative. I hope that the Secretary of Agriculture will study it and find out whether it would not do a better job than the program that has been on the statute books for almost 4 years, and which it is now proposed to extend for 4 more years.

The new element contained in the bill, to make it possible for the Secretary of

Agriculture to pay a little more to the farmer than he has in the past, might make it desirable for the farmer not to plant as much land as he has in the past. Under present law, as the Senator knows, in order for a farmer to become eligible for price support payments, he must divert at least 20 percent of his base acreage to conserving practices.

Under the law, the Secretary has the right to pay from zero to as much as 50 percent of what the farmer would make on that land to keep 20 percent out of cultivation. On the remainder of the permitted acreage the Secretary makes price support payments, which this year amount to 20 cents per bushel but the trouble is that in order to obtain payment, the farmer must plant the permitted acreage. What we are trying to do is to bunch up the payments so that it will be possible for him to obtain the same payments, if he did not plant the extra acreage.

It is a problem. The evidence shows that it is possible for the Secretary to get more acreage out with about the same amount of payments. Whether that will be done remains to be seen; but, in any event, that is one suggestion made by the Department.

I can well see that it might work, but one of the suggestions which we made, which I hope the Secretary will use, relates to the reduction of the support price on corn. This year with corn supported at \$1.05, with direct payments of 20 cents a bushel, about 37 million acres were diverted from production.

However, notwithstanding the fact that about 37 million acres of feed grains were diverted the production will still be approximately 200 million bushels more than in 1960. That demonstrates to me that the program is not working well, because we are cutting back 37 million acres from the base, and yet production on the remainder of the corn and feed acres planted has increased and the cost of the program this year—that is, 1965—has been estimated at \$1.6 billion. I am hopeful that the Secretary will use these new tools, and will study the one we have made available under the amendment of the Senator from Iowa.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield further?

The PRESIDING OFFICER (Mr. MONDALE in the chair). Does the Senator from Louisiana yield to the Senator from Iowa?

Mr. ELLENDER. I yield.

Mr. MILLER. The Senator's point is well taken. Notwithstanding the increase in taking the number of acres out of production, we are to have an increase in production. But I wish to emphasize that this proves the point I have been arguing for a long time, that we should not be so concerned about the numbers game—either the numbers of compliers or the numbers of acres—as we should be with the quality of the acres. If the quality of acreage had been taken out this year, with the increased acreage diversion to which the Senator has referred, I am confident that we would not have any increase in production. If anything, there would be a decrease in production.

Mr. ELLENDER. We shall see in the future. Let me point out, as the Senator from Iowa knows, that it is almost incredible that two States in the Union, Iowa and Illinois, should produce 41 percent of the corn grown in this country.

If I had my hat on, I would take it off to the Senator, because that is a great compliment to those two great States. I did not realize that until the hearings a few months ago, wherein it was shown that Iowa and Illinois accounted for 41 percent of the corn produced in this country.

Mr. MILLER. Mr. President, let me say to my friend the senior Senator from Louisiana that because I represent one of those two States, I like to think that I know something about the problem involved in the production of feed grain. I like to think that I know something about the 35 percent of the Iowa farmers who are not in the program.

I cannot overemphasize the fact that there are the three groups to which I have referred. I doubt very much that they will come into the program, regardless of what is done with the loan price. I have serious doubts that any reduction of the loan price can be effected without the serious disruption of the livestock markets.

The Cooper amendment has that proviso written into it, that the loan price shall not be lowered if it will disrupt the livestock market. To that extent, it is all to the good.

I believe that, so long as the Senator has made his statement, I should in fairness, representing the State of Iowa, point out what, in my best judgment, is the difficulty with the present program and how we may have difficulty in solving it if we continue along the same road that we have been traveling. That is not to say that the program that has been in effect substantially since 1961, and which was passed during my first year in the Senate, is not much better than what we had before. I was never particularly impressed by the program that was on the books before 1961. However, merely because it is better than that program does not mean that it has been successful in attaining the objectives of bringing about a balance between production and consumption.

The Senator talked about a cost of \$6 per bushel and reducing the stock on hand. I invite the attention of the Senator to the fact that the reduction in stockage is completely attributable to the reduction in the production of barley, which was not contained in the feed grains program at all, and to the substantial increase in exports and domestic utilization.

At this time, I want to give the highest of praise to the work done by the Department of Agriculture in stepping up our exports of feed grains. They have done a wonderful job on this program. However, at the same time, I invite the attention of my friend the senior Senator from Louisiana to the fact that since 1961, while the costs of the farm program and feed grains have been going up, we have had an increase in the production of feed grains of almost 17 million tons.

I believe that we are going in the wrong direction, and, if we have an increase such as has been mentioned by the senior Senator from Louisiana to be the estimated increase for this year, we shall be continuing to go in the wrong direction.

That is why I know that the Senator is concerned about the cost of the program. I am not interested in increasing the cost of the program. I merely wish to see a more effective reduction in production because, until that has been done, our farmers will have an impossible task in seeking to obtain a decent and fair price for their production.

Mr. ELLENDER. Mr. President, as the Senator knows, during our committee deliberations, I stated that this program was being extended for 4 years and that such a program would be very costly. If it continues to increase at its present rate, I estimate that by the time of expiration of the extension which we are now considering, the cost of the program might exceed \$2 billion a year instead of the estimated \$1.6 billion for 1965. However, in any event, since I was unable to get the committee to vote for my program to limit production through acreage controls, marketing quotas, and penalties for overproduction, we put into the bill two or three more tools—one that was presented by the junior Senator from Iowa—in the hope that the Secretary of Agriculture will take a hard look at this program and try to do something as soon as he can to reduce the cost of the program. With the increase of sales of our corn and other feed grains abroad, it would seem to me that there should be little necessity for a program such as we now have, except to stabilize the price.

It seems to me that if our production now is less than the amount we sell, at least this year or next year, we might be able to reduce our surplus to normalcy. The moment we do that, the price of corn and other feed grains ought to be good, and the necessity for these direct payments could be curtailed to a large extent and we could reduce the cost of the program.

Mr. MILLER. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. MILLER. I appreciate the patience of the Senator. However, there is another matter which I think is related to the problem that we have been discussing.

We are concerned about having an effective feed grains program which would help to reduce the surplus and the production.

On page 20 of the committee report, it is pointed out, in connection with the wheat program, that the language still in the basic law will continue; namely, that the use of wheat for beef shall be to such an extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the program for feed grains or wheat.

I read with some concern of the increase in the use of beef wheat which has been occurring. During the 1960-64 base period, the average quantity of

beef wheat was 41 million bushels a year. Last year it was 72 million bushels. It is estimated that it will increase to 95 million bushels this year.

Does the Senator not believe that this increase in the use of beef wheat has a tendency to impair the effectiveness of the feed grains program, and that the Secretary of Agriculture should so arrange the wheat program as to not increase the usage of beef wheat?

Mr. ELLENDER. Mr. President, I agree with the Senator, but the Senator from Iowa was not on the committee when we first discussed the particular language to which he referred.

The production of wheat for feed was accomplished primarily to meet the situation existing in the Northwest, where, because of the freight rates, corn could not be fed profitably. The livestock industry was suffering a great deal because of the high cost of feed grains. However, as the Senator points out, there is no doubt that wheat is now being used for feed. It certainly will do violence to the feed grain program. I hope that the Secretary of Agriculture will do something about it.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. Mr. President, this increased use of wheat in some respects results from the acreage substitution, from wheat to feed grain. The more acreage that we can get transferred into wheat, the better off we will be. We can raise from 20 to 40 bushels of wheat on an acre, but we can raise from 40 to 80 bushels of milo or corn an acre.

I believe that from that angle it would be better to use the acreage in that manner.

Mr. MILLER. Mr. President, will the Senator from Louisiana permit me to ask a question of the Senator from Kansas?

Mr. ELLENDER. I will if I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLER. Mr. President, I appreciate the fact that my friend the Senator from Kansas is bringing out that point. Has the Senator any idea about how much of the increase to which I have referred, from 72 million bushels last year to an estimated 95 million bushels this year, is attributable to the growing of wheat on feed grain acreage?

Mr. CARLSON. I cannot give the Senator from Iowa the figures, but I know, from my own knowledge, that much of this feed grain base acreage was transferred to wheat. I assure him that is an advantage to those States that have feed grain producing areas. I know that to be a fact, but I cannot give the percentages.

Mr. MILLER. I can certainly see that. The main point I wished to bring out was that this information is available to the Secretary of Agriculture. He would recognize the truth of what the Senator from Kansas had to say. But I am sure it is intended that, to the extent it may impinge on the attempts to reduce feed grains, he should not have permitted use of wheat as feed except under con-

ditions to which the Senator from Kansas has referred, or in the case of drought or disaster situations in the Northwest.

Mr. ELLENDER. As the Senator from Kansas pointed out, it works both ways. If wheatland is planted to feed grains or milo, it decreases the production of wheat. The same thing occurs when corn allotments are reduced. It reduces corn production.

It is my hope that the Secretary will do the very thing the Senator is suggesting. As I recall, this exchange was made more or less to give advantage to the farmers of the Northwest who grow much wheat. It was too expensive then for them to feed that wheat to cattle. They had to get corn and milo. They could not even grow milo maize, as I understand. At first the plan was to try to assist in that area, but it has been expanded until now it is used for practically all the Wheat Belt as well as the Northwest.

If there are no further questions on feed grains, I turn now to title III, dealing with rice.

I wish to say that the Senate committee did also delete the rice title, just as the House committee did. It struck it from the administration bill.

Of course, there were a number of reasons why the title was stricken. One was that in effect, there was a curtailment of acreage from 1.6 million base acres to about 1.350 million acres. The rice farmers could not stand that cut from the minimum acreage provided by law.

Another reason advanced was that the ricegrowers would be paid for their crop, more or less, by raising the price of rice to the consumer.

There was a fairly good overall case made to the effect that it would not cost the average consumer more than 5 or 6 cents a year, but when the committee examined the witnesses who came to testify, it was shown that the consumption of rice in Puerto Rico, for example, was not 8 pounds per capita, but 102 pounds. The same situation, to some extent, prevailed in California, Louisiana, and Mississippi. Rice, like wheat, is more or less a poor man's food.

Mr. ELLENDER. Mr. President, the evidence also showed that there are many Puerto Ricans living in the city of New York and that the provision would have increased their family food bill a good deal, because the per capita use of rice among Puerto Ricans there was in excess of 90 pounds per capita. So the Senate followed the House in striking the title dealing with rice.

In order to protect the income of rice farmers of the Nation, the committee adopted two suggestions I made. The first is to prevent the Department of Agriculture from widening the value factors between the various varieties of rice. Today the difference between long grain and short grain is \$1.50.

The purpose of the amendment is either to keep it at that level or to reduce it, if possible, which would thereby result in a greater average price for the rice producer.

Then we added a second amendment. Under the law as it now stands the min-

imum acreage of rice is fixed at 1,600,000 acres. The national rice allotment now is about 1,800,000 acres. The allotment was increased in order to provide more rice to feed the starving people in south-east Asia.

Of course, the ricegrowers responded to the request of their Government and agreed cheerfully to produce more rice for that purpose. And now it seems there may be a move to reduce the acreage of rice.

The amendment provides that if the present acreage is reduced to the minimum acreage, or by any amount, the producers of rice shall be paid for not producing, to the same extent as applies to the wheat farmers as well as corn and other feed grain producers.

Unless there are further questions, I shall proceed to title IV, dealing with wool.

As Senators will recall, when the Senate enacted the wool bill several years ago, the goal was to induce the wool producers of our Nation to produce as much as 300 million pounds of wool a year, and the woolgrowers were paid direct payments in an effort to attain that goal. The funds used were derived from 70 percent of the tariff collected on wool and woolen goods that came into the country.

In its proposal, the administration agreed to extend the Wool Act for 2 years, but also requested authority to make it possible for the small woolgrowers to receive a higher price for producing wool than the larger woolgrowers.

At page 41 of the original bill, there was a provision that, on the first 2,000 pounds, the level of support based on parity should be not less than 75 nor more than 90 percent of parity.

On the next 5,000 pounds, the support would be at not less than 70 nor more than 85 percent of parity. On all wool produced in excess of 7,000 pounds, the payment would range from 65 to not more than 85 percent of parity.

When wool was considered by the House of Representatives, the small wool grower provision was stricken, and the House added a provision of its own which guaranteed to all producers a minimum of not less than 77 percent of parity, which really amounts to 64.1 cents per pound for wool. Today the price of wool to the grower including payments is 62 cents.

The Senate considered the House amendment, but had a provision of its own to offer to the wool growers. The committee decided to increase the price of wool on a formula included in the so-called Bible bill, which was before the committee for some time.

The Bible amendment would make it possible for the price to the wool grower to be based on the cost of production. Under the Bible amendment, the price of wool would be increased the first year to 65 cents or perhaps more, and as the cost of production increased, the price to the wool grower would likewise increase.

The Department objected to that, and I believe still objects to it, and clings to its own version, of making it possible

to pay more to the small producers than to all producers in a like manner.

In addition to the Bible formula, at the suggestion of the distinguished Senator from Kentucky [Mr. COOPER], the committee voted to include a provision which would make it possible for the Department to pay 5 cents a pound more to all wool growers who produced 1,000 pounds of wool or less. In essence that is the wool provision now included in the bill.

The record shows that under the House provision, if the Senate were to agree to it, the additional cost of the program would be about \$2½ million. If the Bible program were adopted, the cost would range between \$4½ and \$5½ million.

Again the Senate committee has tried to assist the grower, in the hope that the program originally enacted by Congress, to obtain a 300 million pound goal, will be reached. It was hoped that by this greater advantage to the small wool grower, and an increase in the price of the wool to the large wool grower, more and more farmers would be induced to produce wool, so that the goal of 300 million pounds might shortly be attained.

Be that as it may, I wish to emphasize again that the effort on the part of the committee has been to try to increase the income of the woolgrower, and thereby make it possible for him to produce more wool, and make a better living out of it.

We now come to the fifth title, which deals with cropland adjustment. The House more or less adopted, at least partially, the provisions contained in the original bill introduced at the request of the Department. No limitation was placed in that bill on the amount that could be spent yearly. It was an open end appropriation. The Senate committee limited the expenditure to \$225 million a year for 4 years for contractual purposes and then, as the contracts were effectuated, for the next year provision was made to appropriate such money as might be necessary to pay out the contracts which had been entered into over the 4-year period. The bill as it is being presented to the Senate merely provides that the program shall go into effect, and contracts shall be made for a period of 4 years, with the understanding that not more than \$225 million shall be spent each year on contractual obligations, and that the contracts may run for a period of from 5 to as much as 10 years.

We also added another provision to the bill, which makes it possible for a corn producer, for a cotton producer, and for any producer of a price-supported crop, to get credit for land diverted from the production of the crop under the cropland adjustment program. Under this provision he could put his land into the program for from 5 to 10 years, if he chooses to do so.

The Secretary has the power to do just that and to pay a sufficient sum to take out of production as much of the base acreage, allocated acres, and other supported crops as he deems advisable. The only limitation is on the amount of money that will be provided each year for the program.

Under the provision that was placed in title II, dealing with corn and other feed grains, it is estimated that under the Miller amendment, should the Secretary of Agriculture desire to make use of it, the cost of obtaining compliance, in order to take certain productive land out of the production of corn and other feed grains, will be as much as \$70 or \$75 per acre. Whether the Secretary of Agriculture will wish to do it remains to be seen. However, he has full authority to use as many of the allotted acres and of price supported crops as he can, as well as the base acres which are now planted in various States to corn.

I believe that this program can be made to take quite a large amount of land out of cultivation, and thereby substantially reduce the surplus now on hand. That can be done without very much more money than has been spent in the past, particularly if we can obtain good lands from the producer, so that it will not be planted to the crops that are now in surplus.

Under the cropland adjustment program, the land could be diverted to wildlife and recreational purposes and to the prevention of air and water pollution, as well as to conservation uses, so that multiple benefits might be derived from such diversion. Additional payments based on the benefit of wildlife uses established might be paid to producers who permit access to the land by the public for hunting, trapping, fishing, and hiking.

It is anticipated that about 40 million acres of cropland might be diverted from production under this program. Priority would be given to uses most likely to result in permanent retirement of the land to uses which might serve our people better. The amount of land retired in any community would be restricted to such amount as would not adversely affect the economy of the community.

In order to encourage producers to put their wheat and feed grain acreage into this program for longer periods and at lower rates than provided by the annual wheat and feed grain diversion program, the committee bill provides that such diversion under the cropland adjustment program will count as diversion to meet the wheat and feed grain price support requirements.

We now come to title VI of the program, which deals with cotton. As I said before, neither the House bill as it was introduced for the administration nor the Senate bill which was introduced by me at the request of the administration contained a cotton provision. The House put its own provision in the bill. Of course that was opposed by me in committee. The version of the cotton provision that now appears in the Senate bill is the one that I suggested during the course of the deliberations in committee.

I shall not go into extended arguments on the cotton provision and the reasons for it, but I point out that the program that was adopted last year did much damage to our cotton program.

When the program was presented to the Senate in the closing days of the session year before last, the idea was

that if Congress could enact a law which would make it possible for cotton to be sold domestically and on the world market at one price, it would be a great incentive to the textile mills of the country to make use of more cotton.

I argued in opposition to that claim. The results of the program that was enacted over my protest are worse than what I predicted. When this special program was placed on the statute books, we had on hand 12.1 million bales of cotton. Those who fostered this new program contended that the way to reduce the huge surplus of 12.1 million bales of cotton was to make it possible for the textile mills of our country to use more and more of the product. The contention was made that if the new law were passed, the textile mills of this country would use 1.1 million bales of cotton. But instead of using the 1.1 million bales of cotton, they used only 600,000 bales of cotton.

In August of 1966, when this special program will be at an end, the surplus of cotton will not be 12.1 million bales but, according to the latest estimates, will be 15.8 million bales. Mr. President, somebody furnished the committee, as well as Congress, with figures that were erroneous and could not stand.

It was estimated that the cost of the program would be \$448 million. Senators need only read my speech last year to learn my predictions. Instead, the cost was \$892 million, or almost twice as much as was estimated by those who predicted what the cost would be.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. My recollection is that the proponents of the bill, when it was passed, said that the cost would be \$350 million. It was also contended that it would go as high as \$448 million. What has it actually cost?

Mr. ELLENDER. The cost has been \$892 million, and the cotton surplus has not been reduced. On the contrary, on August 31, 1966, when the program will terminate, there will be on hand 3 million bales more than were on hand when the program first became effective.

Mr. LAUSCHE. As I recall, the Senator said here were 12.1 million bales of cotton on hand.

Mr. ELLENDER. In the beginning, when the program was started.

Mr. LAUSCHE. And by August 31, 1966, instead of the amount being less than 12.1 million—

Mr. ELLENDER. It will be 15 million, according to the latest estimate.

Mr. LAUSCHE. That means that the number of bales have increased by 3.7 million, rather than decreasing, as was predicted.

Mr. ELLENDER. The Senator is correct.

Mr. LAUSCHE. I voted against the subsidy to the processors. As I recall, I did so on the basis of the argument made by the Senator from Louisiana.

It is rather shocking to understand that to have the bill passed, it was argued that the cost might be as low as \$350 million. Instead, it is now established that the cost will actually be \$892 million.

Mr. ELLENDER. The Senator is correct.

There are today estimates of the cost of the bill I am proposing, estimates of the cost of the House bill, and, I believe, an estimate of the cost of the bill if the Talmadge amendment is agreed to in the committee report. When I refer to the Talmadge amendment, I mean the original proposal that was made before the committee.

Mr. LAUSCHE. Where are those figures? Are they in the report?

Mr. ELLENDER. They are in the report.

I do not know how the Department could have provided the Senate with figures that were so utterly wrong. They failed dismally to analyze the facts correctly. The figures that are now in the report beginning on page 62 show the cost of the bill I am proposing and the cost of the bill that the House passed. Anyone can reach into a hat and get estimates that may be close to the figures contained in the report. These figures were included, not because I give them any validity whatsoever, but because the committee wanted to make them a matter of record, just as the predictions of the Department of Agriculture last year were made a matter of record and which have proved to be so absolutely incorrect.

Last year I knew that the Department was wrong and although I argued until I was blue-black in the face not to adopt this program, it did become law.

Soon after the passage and signing of the present law, the millowners obtained about \$84 million on cotton they had already bought. In addition, they received benefits of about \$290 million on the 9.1 million bales consumed this past marketing year.

The only direct subsidy of the mills, of course, was the first \$80-odd million they were paid for cotton on hand. The rest was paid to someone other than the mills. However, they still received the benefits of 23.5 cent cotton.

The record contains a statement by none other than Mr. Luther Hodges, who was Secretary of Commerce at that time, that the consumer would save about \$700 million a year if the bill were enacted.

Instead of a saving, the record shows that the beneficiaries were the textile mills; the consumers obtained little or no relief from the subsidy.

For the past 25 years the Cotton Division of the Consumer and Marketing Service of the Department of Agriculture has regularly published prices of cloth and cotton and mill margins. As a matter of fact the American Textile Manufacturers Institute used these same data to substantiate their claim that cloth prices would immediately reflect the lower cotton price contemplated by the proposed law. The information I am going to place in the Record shows that the average cloth prices of 20 constructions in July 1963 amounted to 60.28 cents per pound; in July 1964 cloth prices averaged 60.95 cents per pound; and in July of this year the same 20 constructions averaged 65.30 cents per pound, an increase of 4.35 cents during the same year that consumers were supposed to

save \$700 million by the enactment of the present law.

During this period prices of cotton to the mills declined from 35.57 cents in 1963 and 35.60 cents in 1964 to 27.33 cents in July of 1965. This is a decline of 8.27 cents per pound in the price of raw cotton to the domestic mills of this Nation.

Mill margins, which is the difference between cloth prices and cotton prices increased from 24.71 cents in 1963 and 25.09 cents in 1964 to 37.97 cents in July of 1965, an increase of 12.88 cents per pound. In other words, the tremendous saving that was supposed to be passed on by the domestic mills to the consumers of this Nation not only was retained by the domestic mills, but margins actually increased even over and above cotton price reduction. As a result, consumers are paying more now for textiles than they were last year and the year before, notwithstanding the fact that domestic mills are getting cotton at about 8.5 cents a pound less than they did before the one-price cotton law became effective.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. How did it happen the benefits of the subsidy that was given either directly or indirectly to the processors did not reach the consumer? Was it anticipated when the subsidy was given that the price of production would be lowered in an amount equal to the subsidy?

Mr. ELLENDER. It was anticipated that if cotton mills obtained their raw materials cheaper, the price of the product would go down, but it did not.

Mr. LAUSCHE. It did not?

Mr. ELLENDER. No.

Mr. LAUSCHE. The mills took the profit and kept the price to the consumer at the level at which it was even before the processors got financial aid from the Federal Government?

Mr. ELLENDER. The Senator is correct.

It matters not whether cotton sells for 15 cents, 20 cents, or 50 cents a pound, there will be the same kind of competition among the textile mills of America, no matter what happens.

About 25 years ago, the sugar industry in my State was failing. At that time in Terrebonne Parish, where I live, seven mills ground the sugarcane that was produced in the parish. Today we have only two mills. They grind more than the seven mills did before. Why? New inventions, automation, and other improvements have come into the picture. Today, two mills are grinding all the sugarcane that is produced in that area.

Similarly, there are many antiquated textile mills in the cotton industry today. They cannot compete with the new textile mills that are now being constructed throughout the country, particularly in the South. Regardless of the price of cotton, competition among textile mills will continue.

Something else that we must not forget is that 96 percent of what the textile mills of America produce they sell on the best market in the world, name-

ly, the American market. There is no competition. They do not sell much of their goods in China, or in any other part of the world; but, as I said, 96 percent of their production is sold in America. I say that they could have and should have continued to absorb the difference between the world price and the support price.

There is another contention made, that it would reduce the use of synthetics. The record shows that it has not, but that the use of synthetics has actually increased by 210,000 bales.

That is the situation. As I pointed out when the bill was last before us, the cotton used to produce manufactured goods has been decreasing all over the world. For example, at one time, England used about 52.3 percent. Today it is less than 28.6 percent. The use of manmade fibers has been gradually growing.

I thought the proponents of the measure knew what they were talking about when they presented the bill of last year. The whole industry was for it. I never saw such lobbying in my life as took place when the law now on the statute books was about to be enacted. Everyone said it would be a godsend to the cotton industry.

However, the reason why the law was placed on the statute books was that it would have the effect of reducing the huge surpluses we now have on hand, 12,100,000 bales.

Now that the law is about to expire, what do we find?

We find, as I stated to my good friend the Senator from Ohio [Mr. LAUSCHE] that instead of reducing the surplus, we shall have on hand after the expiration of this act, over 3 million bales more than we had when the law was placed on the statute books.

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. HARRIS in the chair). Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. Do I correctly understand that when the bill was originally passed, it was claimed, first, that passage of the bill by indirectly subsidizing the processors of cotton would reduce the volume of cotton that we had on hand?

Mr. ELLENDER. The Senator is correct.

Mr. LAUSCHE. Second, it would reduce the cost of cotton goods bought by the consumer.

Mr. ELLENDER. The Senator is correct.

Mr. LAUSCHE. And third, that it would reduce the use of synthetics, and therefore place the grower of cotton in a better position in the market.

Mr. ELLENDER. The Senator is correct.

Mr. LAUSCHE. Has any one of those claims become a reality?

Mr. ELLENDER. Not one of them.

Mr. LAUSCHE. Has any claim made in support of the bill proved to be a reality on the basis of experience?

Mr. ELLENDER. I do not know of any. The only thing I can say is that the cotton situation has deteriorated. There is no telling what will happen in the future. Of course, we have produced more cotton on those acres, but that was anticipated by the Department when it advocated the change. But the Department, as I understand, favors the House-passed bill. The House-passed bill has an open end to the production of any amount of cotton that a farmer desires to produce without price supports. It goes without saying that the cotton farmers of the West can produce cotton cheaply, inasmuch as they grow a long-staple cotton with yields as high as three or four bales, which has a better market than the short-staple cotton, and particularly the seven-eighths inch cotton, and others—and if the House measure is enacted, it will be possible for farmers to produce any amount of cotton they desire to produce, and sell it in competition with cotton which would be grown by farmers who are supported by the Government in the production of such cotton.

It would also be in competition with the 15.6 million bales of cotton now in the country.

Mr. President, I go back to the proposition that what the Committee on Agriculture and Forestry sought to do was to present a bill to the Senate which would benefit the producers of cotton, the same as we have tried to do for the producers of wheat; namely, to keep them in business. My proposal would take care of 54.7 percent of the small cotton producers of this Nation. It provides for a price support ranging from 65 percent to 90 percent. That has not changed. The law of 1958 and the amendments made thereafter have not been changed. We have the same release and apportionment clauses in it, the same price supports, and the same minimum acres provided by the law. If Senators desire to assist the producers of commodities, they should vote for the bill.

In the South, there are many farmers who raise corn, a little wheat, and a little cotton. We protect the farmer whose acreage in cotton is 10 acres or less. We say to him, "You will get a full measure of the price support plus a bonus to keep you in business."

Mr. President, if we do not do that, we shall create pockets of poverty throughout the South to such an extent that Congress may be asked to provide millions of dollars for the sustenance of these people. Let us not create a condition of that kind. Let us try to protect the producers of these commodities.

I am certain that if my amendment is adopted we shall not only make them better citizens, but will also save the Government money.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. The Senator stated that the bill reported by the committee, with respect to the cotton title, would protect 54.7 percent of the small cotton producers.

Mr. ELLENDER. The Senator is correct; those who utilize 10 acres.

Mr. HOLLAND. Mr. President, the Senator means, does he not, that that large a percentage of the small cotton producers would be placed in the high support bracket by having it conclusively assumed that their production is entirely for the domestic market?

Mr. ELLENDER. The Senator is correct. That is exactly what we did. The bill would provide further that the price support for all growers who utilize over 10 acres would be between 65 and 90 percent of parity.

The bill contains a provision which states that if farmers agree to produce for domestic consumption—which means on 65 percent of the acreage—they will receive a bonus. It would be cheaper for the Government to pay the farmer a bonus for not producing the cotton than it would be to pay the cost entailed in the production and storage of the cotton.

The cotton section would provide a way by which all cotton farmers of the country could use the bonus method of reducing production by producing only for domestic consumption.

The figures show, as I remember, that about 65 percent of the acreage planted to cotton produces our approximate normal consumption in this country. That would mean that, instead of producing 15.5 million bales, if production were cut back by two-thirds, the production would be approximately 5 million bales if all producers complied with this provision.

I warn the cotton producers of our country that every effort must be made by them to reduce the surplus in line with the provisions of the bill reported by the committee. If they do not do that, and if the surplus of cotton continues to increase, there is no question that Congress may have to reduce the minimum acreage. I do not want that to happen if it can be prevented.

I urge the textile mills to use more cotton. Unless the industries of this country do their best to help agriculture, agriculture will go down the drain. If agriculture were to go down the drain, it would mean that our economy would be shattered.

There is no question that cotton is as good as, if not better than, any raw product with which to make material from which clothes and other products may be made.

It would seem to me that the textile mills of this country should do everything possible to use all the cotton that they possibly can in order to help the economy of our country.

I believe that if the bill that I have been explaining is passed, we will protect the producer. We will prevent the establishment of many pockets of poverty throughout the South and other parts of the country.

In my judgment it is the duty of the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry to work in the interest of the producers of the commodities which we are seeking to protect.

If that is done, I am satisfied that this farm bill will go far toward assisting many farmers throughout the country. If, on the other hand, the industries of our country try to use more and more of the products that are produced on the farm—and it is up to them to do it—it will sustain agriculture.

If, as, and when agriculture goes down the drain, so will our entire economy.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. Mr. President, on page 61 of the report it is shown that the Ellender proposal, according to the calculation made by the Department of Agriculture, would cost \$728 million. The House bill would cost \$723 million. The Talmadge proposal, in its original form, would cost \$709 million. These figures are substantially identical.

What is the difference in the distribution of this expenditure as it relates to moneys that would go to the farmers and moneys that would go to cotton goods manufacturers?

Mr. ELLENDER. In a nutshell, the bill proposed by the House and the bill that is proposed by the Senator from Georgia [Mr. TALMADGE], would make compensatory payments all the way to the producers of cotton, instead of price support.

There is contained in the bill a provision that there can be a loan of 21 cents on cotton for the next year. However, that can be reduced to 90 percent of the world price. As the loan price is reduced, the compensatory payments increase in order to provide the same income to the producer.

Mr. LAUSCHE. Mr. President, am I correct in my understanding that under the Ellender bill, increased help would be given to the farmer and decreased help would be given to the manufacturer of cotton goods?

Mr. ELLENDER. That is the purpose of my amendment. The assistance would go to the producer.

Mr. LAUSCHE. The Ellender bill is designed to help the farmer more and the manufacturer of the cotton goods less, while the House bill and the Talmadge bill intends to help the processor more and the farmer less?

Mr. ELLENDER. The Senator is correct. I say to my good friend the Senator from Ohio that in order to give more assistance to the millowners, since they have received, under the present legislation, a total of approximately \$32 a bale, the committee, through my recommendation, provided that 3 cents a pound be paid to the millowners, so that they can obtain their cotton at 3 cents a pound less than the support price.

That is the extent to which the Ellender bill goes.

Mr. TALMADGE. Mr. President, will the distinguished chairman yield at that point?

Mr. ELLENDER. I yield.

Mr. TALMADGE. The distinguished Senator from Ohio addressed a question to the chairman as to the purpose of the Talmadge amendment. Let me make clear that the Talmadge amendment would pay no subsidy to any individual

on the face of the earth except the producer of cotton.

Mr. ELLENDER. It is a compensatory payment; but it reduces the support price, and all of it becomes a burden to the Federal Government. The purpose of the Talmadge amendment is to sell cotton at world prices to anyone who desires to buy it.

Mr. LAUSCHE. Mr. President, if the Senator will yield, may I put this question? Would the processors of cotton independently receive financial benefits, under the several bills and under the Ellender bill, directly?

Mr. ELLENDER. Under the Ellender bill, the processor would receive about 3 cents a pound, but under the Talmadge proposal it would be possible for the processor to purchase cotton for 21 cents in 1966 and thereafter, depending on what the world price was. If the world price went down to 18 cents, for example, and the processors bought the cotton for 18 cents, the Government would have to make up the difference between 18 cents and whatever was paid to the farmers by direct payments.

Mr. LAUSCHE. But the other two bills—excepting the Ellender bill—provide that the payment would be paid indirectly, but not directly, to the processor?

Mr. ELLENDER. That is correct, but I repeat and emphasize that the duty of the Agriculture Committee is to provide for the producers of our commodities, to try to keep them in business. Let the processors, be they processors of textiles of flour, or what have you, go before the committees, and not let the Department of Agriculture or the farmers bear that bill, because that is the way it will appear.

Mr. President, I said earlier that I would have more to say about the Department's predictions. So far I have shown, from their own figures, how utterly wrong they were last year in February when they were predicting for the crop that was to be planted in just a few months. Now, this year, even before the 1965 crop is fully harvested, they are predicting for 1966-67. Undoubtedly they believe that they are seers—but from past performances, as I have shown, I do not believe that their crystal ball is any better than anyone else's. As a matter of fact, I said on the Senate floor last year that they were wrong in their estimates, and my predictions did come to pass, for the law that was enacted, and the Department supported, turned out to be an absolute failure in every regard.

Last year's legislation was designed to help only the domestic mills. They received a windfall amounting to about \$32.50 for every bale of cotton they consumed. On a 9.1 million bale consumption this amounted to \$295.7 million—quite a pocketful.

But, Mr. President, in summary, the bill that the committee approved this year is a farm bill in every sense of the word. It is designed to protect farm income, to provide markets for producers of cotton, to insure the well-being of the thousands of small rural communities scattered throughout the Cotton Belt,

upon which farmers depend so heavily, and to lay the groundwork for a sound future for cotton.

The Senate cotton amendment is a very simple but direct attack on the fundamental problems facing cotton. It provides for a minimum of changes, but these will accomplish our purposes.

Under the Senate amendment we retain the 65 to 90 percent of parity price support concept on the total allotment of producers. The Senate amendment provides farmers with the price and income protection they so sorely need. The House bill, however, provides farmers with protection only on 65 percent of their allotments and then part or perhaps all of this could be payments. Actually, the House bill, as it relates to cotton, is a wide open affair, giving the Secretary of Agriculture unheard of discretionary authority. Under that bill price support consists of payment plus a loan level. But the loan level cannot be set above 90 percent of the world price, and could be set at zero. Therefore, the Secretary could, and I do not say he would, but he could set the loan level at zero with payments to cooperators set at 65 percent of parity or 27.31 cents per pound.

In other words, under the House bill the producer would depend upon the Government for the major portion of his income.

Mr. President, I presume that before we are through with this bill there will be many more questions that Senators may desire to ask. I assure them I shall be on hand to answer such questions as they may desire to ask.

The only part of the bill I have not mentioned as yet is title VII, which is concerned with miscellaneous provisions. In that portion of the bill there is an amendment that was proposed by the distinguished Senator from Florida [Mr. HOLLAND] which would leave the matter of determining what farm labor is needed to do work in saving crops to the Secretary of Agriculture, instead of the Secretary of Labor.

I realize that there is much opposition from labor to this position, but we have had an experience in the past year that has been very threatening and bad for the producers of commodities who utilize a good deal of stoop labor. Personally, I should like to see employed all of our men and women who are able to perform service; but, somehow, we cannot find a sufficient number of Americans to do stoop labor.

Consider the sugarcane fields of Florida, where it is quite a task to gather the sugarcane or to plant it. Efforts have been made there in vain to obtain foreign labor to do the job. But the Department of Labor was silent in most cases. It would not respond to the requests of the companies that desired outside labor. The same thing took place in California, when efforts were made to gather lettuce and other crops that demanded stoop labor.

With respect to the picking of dates, which requires men of strength and experience enough to be able to climb 50-foot ladders to gather dates from palm trees, efforts were made to obtain local

labor. Appeals were made to the Department of Labor. There was little or no response.

The committee felt that if the farmers of the Nation are to continue to produce their crops, they should be assured of sufficient labor to gather them, particularly when the crops to be gathered cannot be gathered by machine but require hand labor.

It seems to me that is a good provision. I hope the Senate will adopt it.

Another proposal that was put in the bill by my good friend from Minnesota [Mr. MONDALE] provides, in effect, that it is the sense of the Congress that if wheat or any of our agricultural products sold abroad on regular commercial terms to anyone, the purchaser should have the privilege of using any bottoms he chooses in order to have the products carried abroad. That provision applies to all commodities. When steel or any other manufactured product is sent abroad, the purchaser usually chooses the ships upon which the goods are carried.

All that the provision does, as I understand, is to make a declaration that it is the sense of Congress that any country abroad that purchases any of our goods, particularly surplus products like wheat, shall be permitted to use such bottoms as it chooses.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. For purposes of information, are any of the producers of industrial products of this Nation bound by the same obligation to use American bottoms in shipping the goods when sold to foreign countries that is imposed upon the food products of the farmers?

Mr. ELLENDER. No, except that under Public Law 480, there is a provision that 50 percent of all Public Law 480 goods must be shipped in American bottoms. That is the only provision.

Mr. LAUSCHE. So none of the other goods which we manufacture are required to be shipped on American bottoms, except the farmers' products, under Public Law 480?

Mr. ELLENDER. That is my understanding.

Mr. LAUSCHE. I recall that recently discussions were had on the floor of the Senate concerning the fact that the requirement of shipping in American bottoms raises the cost of our farm products in some instances—of grain, for example—by about 12 to 13 cents a bushel.

Mr. ELLENDER. The Senator is correct.

Mr. LAUSCHE. And that increased price has in some instances placed us in a noncompetitive position.

Mr. ELLENDER. We have lost many sales because of that.

Mr. LAUSCHE. The provision about which the Senator is speaking declares it to be the sense of Congress that the President should release farm products from this burden of being carried at an increased cost in American bottoms.

Mr. ELLENDER. The Senator is correct.

There is another provision in the miscellaneous portion of the bill, title VII,

which spells out a formula for the distribution of allotted acres in the event of the sale of the farm. That was a provision suggested by my good friend the Senator from Kentucky [Mr. COOPER].

I think it is a good provision, and I am sure that my good friend the Senator from Kentucky [Mr. COOPER] will press for it should any opposition develop.

There is another provision that was added, I think by the Senator from South Dakota [Mr. MCGOVERN], which gives authority—it is not mandatory, but gives authority to the Secretary of Agriculture—to purchase dairy products at market prices to meet program requirements for schools, domestic relief distribution, community action, foreign distribution, and other programs, when Commodity Credit Corporation stocks are insufficient.

That, Mr. President, concludes my presentation, and unless there are further questions, I shall yield the floor.

MESSAGE FROM THE HOUSE

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER. Will the Senator suspend to receive a message from the House of Representatives?

Mr. ELLENDER. I yield.

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8469) to provide certain increases in annuities payable from the civil service retirement and disability fund, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10586) making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes; and that the House receded from its disagreement to the amendment of the Senate numbered 8 to the bill and concurred therein.

SUPPLEMENTAL APPROPRIATIONS FOR DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10586) making supplemental appropriations for the Departments of Labor, Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 8, 1965, p. 22278, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there

objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. PASTORE. Mr. President, the total of the bill as it comes from the committee of conference is \$1,223,181,500, a reduction of \$184 million from the Senate allowance, but the same amount is allowed by the House.

For "Elementary and secondary educational activities" the budget estimate was \$1,295,684,000, of which \$1,070,684,000 was for the basic grants under title I to provide financial assistance to State educational agencies serving areas with concentrations of children from low-income families. The House allowed for the purposes of title I, \$775 million, a reduction of \$295,684,000, but provided that determinations and payments under such title would be made on the basis of the amount authorized to be appropriated, the full entitlements, which is currently estimated to be \$1,170,790,000.

The Senate restored \$184 million of the reduction in funds for title I and provided that the determinations and payments under such title would be made on the basis of the budget request, \$1,070,684,000, with the consequent reduction in the ultimate obligational authority of approximately \$100 million. The House version was agreed upon by the conference and the managers on the part of the Senate yielded on amendments Nos. 1, 2, and 3.

The Senate had redistributed the funds, \$20,250,000, requested and allowed by the House for the National Institutes of Health for an intensification of work dealing with the problems set out in the report of the President's Commission on Heart Disease, Cancer, and Stroke. The conferees accepted these four amendments.

The amendment, No. 8, offered by the senior Senator from New Hampshire, adding a general provision making applicable to the HEW items in the pending bill, section 207 of the 1966 general bill is reported in disagreement, but the House managers have moved to recede and concur in the amendment.

Mr. President, I move that the Senate agree to the conference report.

Mr. SALTONSTALL. Mr. President, I wish to state, as I think the chairman of our subcommittee, the Senator from Rhode Island, knows, when I signed this conference report on behalf of myself, the Senator from North Dakota [Mr. Young], and the Senator from New Hampshire [Mr. Cotton]. I did it because I believed the bill must go through, and that perhaps ultimately all the money will be appropriated within the terms of the authorization.

The Senate struck out the proviso that payments under such title shall be on the basis of the amount authorized to be appropriated for such title. The conferees agreed that the House proviso should remain.

As I have stated, I signed the conference report on behalf of myself and my colleagues because I believed the bill had to go through, though I do not personally approve of that provision, because

what it amounts to is contract authority for the administration to spend, in this instance, \$395 million more than the amount appropriated.

If they do, they come back to Congress, and Congress must appropriate what they have spent. I would much prefer to see a larger appropriation, as authorized by the Senate originally, and have the administration come back for any additional money which might properly be spent under the authority. But it is

a technical point, and while I believe in the position of the Senate rather than that of the House, I signed the conference report because I believed that the bill should become law promptly.

Mr. PASTORE. Mr. President, I might say, not in refutation of what the Senator from Massachusetts has already said, that I, too, would have preferred the version adopted by the Senate. But after all, in conference, we had to reach an agreement, and I understand that the

bill as it now stands is acceptable to the Department of Health, Education, and Welfare.

I ask unanimous consent that there be printed in the RECORD a table showing the supplemental estimate, the House allowance, the Senate allowance, and the conference agreement on each item in the bill, H.R. 10586.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Departments of Labor and Health, Education, and Welfare Supplemental Appropriation Act, 1966, H.R. 10586

H. Doc. No.	Department or agency	Estimates	House allowance	Senate allowance	Conference agreement
DEPARTMENT OF LABOR					
MANPOWER ADMINISTRATION					
211	Manpower development and training activities.....	\$126,070,000	\$126,070,000	\$126,070,000	\$126,070,000
211	Office of Manpower Administrator, salaries and expenses.....	27,635,800	27,535,800	27,535,800	27,535,800
211	Bureau of Apprenticeship and Training, salaries and expenses.....	413,000	353,000	353,000	353,000
211	Bureau of Employment Security, salaries and expenses.....	881,200	844,200	844,200	844,200
OFFICE OF THE SECRETARY					
211	Activities relating to admission and employment in agriculture of nonimmigrant aliens, salaries and expenses.....	1,968,000	1,723,000	1,723,000	1,723,000
Total, Department of Labor.....		156,968,000	156,526,000	156,526,000	156,526,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE					
OFFICE OF EDUCATION					
149	Elementary and secondary educational activities.....	1,295,684,000	967,000,000	1,151,000,000	967,000,000
149	Research and training.....	45,000,000	45,000,000	45,000,000	45,000,000
149	Salaries and expenses.....	4,500,000	4,050,000	4,050,000	4,050,000
VOCATIONAL REHABILITATION ADMINISTRATION					
147	Research and training.....	6,100,000	6,100,000	6,100,000	6,100,000
147	Salaries and expenses.....	70,000	70,000	70,000	70,000
PUBLIC HEALTH SERVICE					
147	Chronic diseases and health of the aged.....	14,000,000	12,800,000	12,800,000	12,800,000
147	Communicable disease activities.....	1,000,000	1,000,000	1,000,000	1,000,000
147	Community health practice and research.....	2,700,000	2,700,000	2,700,000	2,700,000
147	National Institute of General Medical Sciences.....	2,200,000	2,200,000	4,550,000	4,550,000
147	National Cancer Institute.....	4,000,000	4,000,000	5,150,000	5,150,000
147	National Heart Institute.....	9,800,000	9,800,000	5,050,000	5,050,000
147	National Institute of Neurological Diseases and Blindness.....	4,250,000	4,250,000	5,500,000	5,500,000
ADMINISTRATION ON AGING					
220	Salaries and expenses.....	6,931,000	7,000,000	7,000,000	7,000,000
OFFICE OF THE SECRETARY					
149	Office of Audit, salaries and expenses.....	200,000	180,000	180,000	180,000
149	Office of the General Counsel, salaries and expenses.....	95,000	85,500	85,500	85,500
220	National Technical Institute for the Deaf.....	420,000	420,000	420,000	420,000
Total, Department of Health, Education, and Welfare.....		1,396,950,000	1,066,655,500	1,250,655,500	1,066,655,500
Total of the bill.....		1,553,918,000	1,223,181,500	1,407,181,500	1,223,181,500

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. YOUNG of North Dakota. Mr. President, the pending farm bill will mean a considerable improvement in existing farm price support programs. However, it leaves much to be desired.

The price support programs, particularly for wheat, feed grains, and cotton, are still more complicated and difficult

for farmers as well as others to understand than they should be.

The level of price support, too, should be higher to help farmers meet the serious situation they find themselves in—that of constant and sharp increases in the cost of operation while farm prices, particularly for wheat and feed grains, are lower today than they were 20 years ago.

I believe most people would like to see some farm price support programs terminated sometime in the future. With our ever-increasing population here in the United States and around the world, the need for food will be so great that some of these programs could be eliminated—that is, if farmers would be provided some protection against the dumping of foreign agricultural commodities in this country.

This is particularly true with reference to sugar and wool of which we import approximately half of our requirements.

The producers of wheat find themselves in perhaps the most difficult position of all producers. Russia and its

satellite countries have a serious wheat deficit and are purchasing huge quantities from Canada and every other surplus-producing country in the world. They are paying for this wheat in hard currencies—including dollars.

If the wheat producers in the United States had access to these markets, as do the Canadians, then the need for wheat price support programs would become far less urgent. Canada recently sold Russia \$450 million worth of wheat at \$1.93 a bushel.

Unfortunately, because of a Presidential order, half of all the wheat shipped to Russia or Russian-bloc countries must be carried in U.S. bottoms. This means a shipping rate for United States produced wheat of from 20 to 30 cents a bushel higher than Canadian wheat. This is enough of a price differential to prevent any U.S. sales.

Mr. President, I can never understand why all of these protests are made against selling wheat to Russia when there is no impediment on any other farm commodity, or most industrial

goods being sold to Russia or its satellites.

Indeed, there are some huge sales of industrial goods, and even industrial plants, to Rumania and other bloc countries.

There are ever-increasing sales of soybeans to these countries and soybeans are much more of a strategic commodity than wheat since they are far more useful in the manufacture of ammunition than is wheat.

The United States is the only surplus soybean producing country in the world. If we were to shut off our shipments of soybeans to Russia and the Communist bloc countries, we could effectively prevent them from obtaining soybeans. But we are only one of many surplus wheat producing nations. The Russians are obtaining all the wheat they want. They can get it because other surplus wheat producing countries are now increasing their production.

Over the years the wheat producers of this country have had to depend on exports for markets for more than half of their production.

Since wheat is singled out as the only farm commodity that cannot be sold in the big dollar markets of the world, there is no alternative but to continue and improve in every way possible wheat price support programs. Failure to do this would mean bankruptcy for this large and very important wheat segment of our economy.

Because of the great need for improving the income to wheat farmers to meet the problems they have of being locked out of most of the dollar markets of the world, I introduced legislation to increase the blended price support level for wheat from \$1.81 a bushel, contained in the House-passed bill, to \$1.90 a bushel. This was approved by the Senate Agriculture Committee and lacked only one vote of being unanimous.

The blended price support should be far more, but I felt this was the most that would be obtainable. I sincerely hope that the Senate will approve this very modest increase.

In many respects my other amendments which were accepted by the committee will simplify the wheat program. I hope, too, that these will be retained.

Mr. President, the feed grain section of the bill which is also important to my area of the United States, is somewhat of an improvement over the existing program. It does provide more discretionary authority for the Secretary of Agriculture to lower price supports, but I hope he will not follow this course.

The feed grain price support program is not only important to the producers of feed grains, but of equal if not even more importance, to the producers of cattle, hogs, and poultry. There always has been and probably always will be a direct relationship between the price of feed grains and meat products.

The wool price support program contained in this bill is a considerable improvement over the existing program. It provides a simple and reasonable formula in setting future levels of price supports for wool.

It will mean a slight increase, too, in price support levels. This is an indus-

try, Mr. President, that would need no program whatever if some protection were provided against the vast imports of wool into this country. More than half of all the wool used in the United States is imported.

Of considerable interest to people in the upper Midwest, too, is the land retirement section of this bill. In several respects it represents a considerable improvement over the old soil bank program.

It will be more effective in reducing the production of crops in surplus. It is a more effective and less costly way of diverting land from production of surplus commodities than under the present program of diverting acreage on a year-to-year basis.

There will be considerable benefit to the wildlife interests of this country. Through voluntary cooperation with farmers, there will be a substantial amount of acreage set aside specifically for wildlife programs.

All of the price support programs under this bill will be extended for a 4-year period. This, too, will be a great advantage to farmers over present programs which have been of shorter duration and presented difficult planning problems for farmers.

Unfortunately, the costs of these price support programs have been badly distorted by even some proponents of this type of legislation.

For example, the cost of the Public Law 480 program as it pertains to wheat is added to the cost of the wheat price support program. Mr. President, let me give you just two or three examples.

Under title I of Public Law 480 it is estimated that this year we will sell approximately \$851 million worth of wheat to foreign countries for foreign currencies. This wheat will go to the hungry people in almost every part of the world. This is really a part of our foreign aid program and I think most people would concede that making our food available to hungry people gains us far more friends than giving away billions in U.S. dollars.

Under title II of Public Law 480 it is estimated we will give away \$77 million worth of wheat to famine stricken countries of the world. This will be either through outright gifts or the food contained in the food packages distributed by church organizations and CARE.

It seems almost incredible that anyone would want to charge the cost of such a worthy relief program as this as a part of the wheat price support program. Unfortunately, under this kind of bookkeeping, the average person thinks that the farmers are getting subsidy checks for the cost of the food that we give to these needy people.

These are only a few of the examples, Mr. President, of how wrong it is to charge this more than \$1 billion cost of the Public Law 480 program for wheat to the wheat price support program.

Mr. President, I ask unanimous consent to have printed in the *Record* at this point a table prepared by the Department of Agriculture with respect to the cost of the wheat price support program.

There being no objection, the table was ordered to be printed in the *Record*, as follows:

COMMODITY CREDIT CORPORATION

Wheat and wheat products: Total expenditures, fiscal years 1964-66

[In millions of dollars]

Item	Fiscal year		
	1963-64	1964-65 estimated	1965-66 estimated
Budgetary expenditures:			
Carrying charges (excluding interest).....	\$263	\$176	\$161
Net loans and purchases.....	276	331	368
Price-support payments.....	79		
Acreage diversion payments.....	115	33	35
Commodity export payments.....	97	10	15
Marketing certificate operations:			
Certificates issued to farmers.....		410	468
Certificates sold to exporters and processors.....		1 497	1 578
Net certificate operations.....		1 2 87	1 2 110
Sales proceeds:			
Sales for dollars:			
Domestic.....	1 144	1 190	1 54
Export.....	1 85	1 34	1 26
Payment in kind:			
Domestic.....	1 19	1 60	
Export, IWA.....	1 100	1 20	1 30
Export, other than IWA.....	1 110	1 103	1 98
Barter.....	1 81	1 35	1 34
Public Law 480.....	1 406	1 153	1 206
Total sales proceeds.....	1 945	1 595	1 448
Other ^a	17	18	19
Total price support and related expenditures.....	1 98	1 114	40
Public Law 480 commodity costs (gross):			
Title I.....	993	851	829
Title II.....	113	77	130
Title IV.....	30	123	121
Total, Public Law 480 commodity costs.....	1,136	1,051	1,080
International Wheat Agreement.....	126	29	38
Total expenditures (as shown in backup for budget estimates).....	1,164	966	1,158

Footnotes at end of table.

COMMODITY CREDIT CORPORATION

Wheat and wheat products: Total expenditures, fiscal years 1965-66—Continued

[In millions of dollars]

Item	Fiscal year		
	1963-64	1964-65 esti- mated	1965-66 esti- mated
Other items of expenditures and receipts usually not estimated by commodity:			
Imputed interest—			
Public Law 480:			
Interest ¹	112	70	63
Ocean transportation:	11	5	2
Title I	117	129	85
Title II	20	18	32
Title III, sec. 416 ²	30	34	34
Title IV	3	20	22
Total, Public Law 480 ocean transportation	170	201	173
Dollar recoveries and collections Public Law 480:			
Title I ³	151	130	117
Title IV ⁴	23	115	114
Total, Public Law 480 dollar recoveries and collections	174	245	231
Bartered materials transferred to stockpile ⁵	22	16	7
Total, other items of expenditures and receipts (net)	141	47	14
Grand total, all above items	1,305	1,013	1,172

¹ Denotes receipt.² This amount of net receipts is more than offset by (a) subsidy payments (certificate refunds) to exporters on wheat and products exported and (b) the value of marketing certificates included in the price paid by CCC for wheat products purchased.³ Consists of loan settlement costs, net overdeliveries or underdeliveries of loan collateral, net inventory transfers, and miscellaneous income and expense.⁴ Includes interest on unrecovered prior years' losses.⁵ Excludes interest on unrecovered prior years' losses.⁶ Prorated.⁷ Represents total estimated recoveries over the time period specified in the various agreements (up to a maximum of 20 years) for shipments during the fiscal year.⁸ The expenditure is offset by strategic materials of equal value transferred to the supplemental stockpile, subject to eventual disposition by the General Services Administration.

NOTE.—Accounting records do not disclose expenditures by commodity for interest, ocean transportation for sec. 416 shipments, dollar recoveries under Public Law 480, title I, or the cost of wheat applicable to bartered materials transferred to the stockpile. Figures for these items represent estimates or allocations of total expenditures or recoveries applicable to wheat and wheat products.

Mr. YOUNG of North Dakota. Mr. President, I hope very much that there may be some further improvements to this farm bill on the floor of the Senate and later by the House-Senate conferees which will be appointed to iron out the differences between the House-passed bill and the Senate bill. We need this legislation badly.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. CARLSON. I commend the distinguished Senator from North Dakota for the very excellent statement he has made on the agricultural situation as a whole, and particularly as it affects wheat. I was pleased to hear him bring out the fact that most of the wheat that is exported goes through Public Law 480 and food-for-peace and other humanitarian programs; and also that he stressed the fact that we are losing a market in the world competitive market for wheat by not selling wheat to the Soviet Union and Eastern bloc countries.

Last year we exported 730 million bushels of wheat, and only 165 million bushels were sold for dollars. We have an opportunity to sell in the world market, a market taken over by Canada, Argentina, and Australia, probably 200 million bushels of wheat, which would help our balance of payments and would save our taxpayers money by reducing the storage costs. In my opinion it would make a difference of 20 cents a bushel to the wheatgrower. It seems to me that we are cutting off our nose to spite our face in this situation.

Coming from a wheat State, I know that every wheatgrower is indebted to the Senator from North Dakota for proposing the section in the bill which is largely the amendment he introduced earlier this year. It is of great value to the wheatgrowers and to agriculture as a whole. We are all indebted to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I thank the Senator for his kind comments. The wheat section in the bill is a major part of a bill introduced by the Senator from Kansas, the Senator from South Dakota [Mr. MUNDT], and the Senator from Kentucky [Mr. COOPER].

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. YOUNG of North Dakota. I yield.

Mr. LAUSCHE. What is the Senator's estimate as to the increase in the price of selling wheat to foreign countries because of the obligation of carrying half the wheat in American bottoms? I believe the Senator gave a figure previously.

Mr. YOUNG of North Dakota. I understand it is about 20 to 30 cents a bushel.

AMENDMENT NO. 432

Mr. TALMADGE. Mr. President, I call up my amendment No. 432.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the amendment be not read, but printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, ordered to be printed in the RECORD, is as follows:

Strike out all of pages 104, 105, and 106 and insert in lieu thereof the following:

"TITLE VI—COTTON"

"Sec. 601. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(1) Section 348 of the Act is amended by adding the following new sentences at the end thereof: 'The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to the 1966 crop cotton.'

"(2) Section 346 of the Act is amended by adding at the end thereof a new subsection as follows:

"(e) Notwithstanding any other provision of this Act, for the 1966, 1967, 1968, and 1969 crops of upland cotton, if the farm operator elects to forgo price support for any such crop of cotton by planting an acreage not exceeding 50 per centum in excess of the farm acreage allotment established under section 344, all cotton of such crop produced on the farm may be marketed free of any penalty under this section: *Provided*, That the foregoing shall be applicable only to farms for which acreage allotments were established for 1965 and the farm operator for the current year was the operator of such farm for 1965 or has acquired such farm by inheritance from the operator since such year. The operator of any farm who elects to forego price support for any such year under this subsection shall not be eligible for price support on cotton on any other farm in which he has a controlling or substantial interest as determined by the Secretary. Acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall not be taken into account in establishing future State, county, and farm acreage allotments.'

"(3) Section 350 of the Act is amended, effective with the 1966 crop, to read as follows:

"Sec. 350. In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103(d) of the Agricultural Act of 1949, as amended, the Secretary shall determine a national domestic allotment for the 1966, 1967, 1968, and 1969 crops of upland cotton equal to the estimated domestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced. The Secretary shall determine a farm domestic acreage allotment percentage from each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield. The farm domestic acreage allotment shall be established by multiplying the farm acreage allotment established under section 344 by the farm domestic acreage allotment percentage: *Provided*, That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment: *Provided further*, That, except for farms the acreage allotments of which are reduced under section 344(m), the farm domestic allotment shall not be less than the smaller of ten acres or the farm acreage allotment established under section 344. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced.'

"Sec. 602. Section 103 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection at the end thereof:

"(d) (1) Notwithstanding any other provision of this Act, if producers have not disapproved marketing quotas, price support shall be made available for the 1966, 1967, 1968, and 1969 crops of upland cotton as provided in this subsection.

"(2) Price support for each such crop of upland cotton shall be made available to co-operators through loans at such level, not exceeding 90 per centum of the estimated average world market price for Middling one-inch upland cotton at average location in the United States for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act: *Provided*, That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

"(3) The Secretary shall provide additional price support for each such crop through payments in cash or in kind to co-operators at a rate not less than nine cents per pound: *Provided*, That the total of the national average loan rate for any crop under paragraph (2) and the rate at which payments are made under this paragraph shall not be less than 65 per centum nor more than 90 per centum of the parity price for cotton. Such payments shall be made on the quantity of cotton determined by multiplying the projected farm yield by the acreage planted to cotton within the farm domestic acreage allotment: *Provided*, That any such farm planting not less than 90 per centum of such domestic acreage allotment shall be deemed to have planted the entire amount of such allotment.

"(4) The Secretary shall also make price support payments in cash or in kind in addition to the payments authorized in paragraph (3) to co-operators who reduce their cotton acreage by diverting a portion of their cotton acreage allotment from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided*, That the total reduction in such cotton acreage shall not exceed 35 per centum of the farm acreage allotment, but no reduction shall be required on small farms with minimum domestic acreage allotments under section 350 of the Agricultural Adjustment Act of 1938, as amended. The rate of payment under this paragraph shall be such rate as the Secretary determines to be fair and reasonable, but shall not be less than 50 per centum of the national average loan rate established under paragraph (2). Such payment shall be made on a quantity of cotton determined by multiplying the acreage diverted from the production of cotton by the projected farm yield, except that payment to small farms with minimum domestic acreage allotments under section 350 of the Agricultural Adjustment Act of 1938, as amended, shall be made on a quantity of cotton determined by multiplying an acreage equal to 35 per centum of such farm domestic acreage allotment by the projected farm yield.

"(5) The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance and the balance of such payments shall be made as soon after determination of performance as practicable.

"(6) Where the farm operator elects to participate in the acreage reduction program authorized in this subsection and no acreage is planted to cotton on the farm, price support payments for the 1966 crop shall be made at a rate equal to 50 per centum of the national average loan rate established under paragraph (2) on the quantity of cotton de-

termined by multiplying 15 per centum of the farm acreage allotment by the projected farm yield, and the remainder of such allotment may be released under the provisions of section 344(m) (2) of the Agricultural Adjustment Act of 1938, as amended: *Provided*, That for the 1967, 1968, and 1969 crops such rate of payment shall be that which the Secretary determines to be comparable to the rate of payment under paragraph (4). The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county, and farm acreage allotments and farm bases.

"(7) Payments in kind under this subsection shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary at a value per pound equal to not less than the current loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

"(8) Payments under paragraphs (4) and (6) of this subsection shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for payments under paragraph (4) or the acreage with respect to which payments are made under paragraph (6), as the case may be, and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: *Provided*, That the Secretary may permit all or any part of such reduced acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, and flax, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(9) The acreage regarded as planted to cotton on any farm which qualifies for payment under paragraph (4) of this subsection shall, for purposes of establishing future State, county, and farm acreage allotments and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m) (2) thereof.

"(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing on a fair and equitable basis in price support under this subsection.

"(11) Notwithstanding any other provision of this section, the amount of price-support payments made with respect to any farm may be adjusted for failure to comply fully with the terms and conditions of the program formulated pursuant to this subsection.

"(12) Notwithstanding any other provision of this Act, if as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all co-operators the full amount of combined price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to co-operators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through

the simultaneous purchase of cotton at the support price therefor and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

"(13) An acreage on a farm in any such year which the Secretary finds was not planted to cotton because of drought, flood, or other natural disaster shall be deemed to be planted to cotton for purposes of payments under this subsection if such acreage is not subsequently devoted to any price-supported crop in such year.

"(14) Section 408(b) of the Agricultural Act of 1949, as amended, is amended by changing the period at the end of the first sentence thereof to a colon and adding the following: "*Provided*, That for upland cotton a cooperator shall be a producer on whose farm the acreage planted to such cotton for the 1966 crop does not exceed 90 per centum of such farm acreage allotment and for the 1967, 1968, and 1969 crops does not exceed such percentage, not less than 90 or more than 100 per centum, of such farm acreage allotment as the Secretary may determine, except that this proviso shall not apply to any farm receiving a minimum farm domestic acreage allotment under section 350 of the Agricultural Adjustment Act of 1938, as amended."

"(15) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments) shall also apply to payments under this subsection."

"Sec. 603. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subparagraphs to paragraph (13) of subsection (b):

"(L) 'Projected National, State, and county yields' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop in the United States, the State and the county, respectively, during each of the five calendar years immediately preceding the year in which such projected yield for the United States, the State, and the county, respectively, is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices.

"(M) 'Projected farm yield' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (I) of this paragraph."

"Sec. 604. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The

Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly.”

Mr. MANSFIELD. Mr. President, without the Senator from Georgia losing his right to the floor, I ask unanimous consent that I may suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE ON THE PENDING TALMADGE AMENDMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time up to 11 o'clock tomorrow morning, following the prayer, be limited to a discussion of the pending Talmadge amendment, one-half hour to be under the control of the distinguished senior Senator from Louisiana, the chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER], and the other half hour to be under the control of the distinguished junior Senator from Georgia [Mr. TALMADGE], the sponsor of the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

Ordered, That the Senate proceed to vote at 11 a.m. on Friday, September 10, 1965, on the amendment by the Senator from Georgia [Mr. TALMADGE], numbered 432, with the time for debate, beginning after the prayer tomorrow (10 a.m.), to be equally divided and controlled by the Senator from Georgia [Mr. TALMADGE] and the Senator from Louisiana [Mr. ELLENDER].

Mr. MANSFIELD. Earlier today the Senate agreed to a vote on the pending Talmadge amendment at 11 o'clock tomorrow. I should like very much to change that time to 12 o'clock, so that there will be an hour to be equally divided between the distinguished Senator from Georgia [Mr. TALMADGE], the author of the amendment, and the distinguished chairman of the committee, the Senator from Louisiana [Mr. ELLENDER].

Mr. TALMADGE. I should like to inquire of the Senator from Montana whether he expects to convene the Senate tomorrow at 11 o'clock?

Mr. MANSFIELD. No. The time will be 10 o'clock, the vote to be at 12 o'clock.

Mr. TALMADGE. Then it is expected that the entire 2 hours will be available for debate at that particular time. I ask that because previously the time was 30 minutes, to be equally divided to each side.

Mr. MANSFIELD. That is correct, but I changed it to an hour to a side, with the consent of the Senate, and I expect that all of the 2 hours will be consumed.

Mr. TALMADGE. I have no objection whatever. I am ready to vote this afternoon. If the majority leader desires to go over until tomorrow, I am delighted to do so.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. TALMADGE. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the following Senators be added as cosponsors of the amendment: the senior Senator from California [Mr. KUCHEL], the senior Senator from Rhode Island [Mr. PASTORE], the senior Senator from New Hampshire [Mr. COTTON], the junior Senator from Maine [Mr. MUSKIE], and the senior Senator from North Carolina [Mr. ERVIN].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, for many years I have been advocating a cotton program which, in addition to maintaining adequate farm income, would do three things: First, allow the cotton farmer more freedom to plant for the world market; second, make cotton more competitive in the world trade and with manmade fibers; and, third, take the Federal Government out of the business of buying, storing, shipping, and selling cotton, which has been estimated by the Department of Agriculture to cost an average of \$25.15 a bale, for which the farmer gets not one red cent. The only beneficiary of that program is the Federal employee or the keeper of the pawnshop.

We took a step in this direction last year when we enacted a cotton program that did away with the iniquitous two-price system that was about to destroy the American cotton industry. Under the program, which required American textile mills to pay \$42.50 more for a bale of cotton than any foreigner on the

face of the earth would pay for the same cotton, we witnessed the loss of almost half a million employees who worked in textile mills, and we forced the liquidation of almost 1,000 textile mills in this country during that time.

It seemed to me most strange and most illogical that cotton grown within the shadow of a textile mill in the United States would cost that same textile mill \$42.50 a bale more than the same cotton would cost when shipped to Tokyo, Hong Kong, India, Indonesia, or anywhere else on the face of the earth.

I do not know if it would be considered a subsidy if business in the United States paid premium prices for products produced in the United States. A Chevrolet automobile made by General Motors in Detroit, Mich., might cost \$3,000 in Atlanta, Ga. It might cost \$3,200 in London, England. But I do not believe General Motors would be considered as having given me a subsidy if I bought the automobile in Atlanta, Ga., cheaper than I could have in London, England.

Yet, we have heard that strange and completely illogical reasoning on the floor of the Senate and in the committee that reported the committee version of the farm bill.

We are again at the crossroads on cotton. The present program will expire next year if we do nothing and pass no cotton legislation. We will go back to the old two-price system that prevailed from 1956 to 1964. It almost wrecked the cotton industry in this country. When I say "wrecked the cotton industry," I mean the man who plants the seed on the farm; the man who gins the cotton and buys the crop; the man who buys the cotton and spins it into cloth; and the individual who works on the looms in the textile mills. I also mean those who buy the cotton from the textile mill, as well as the ultimate consumers of textile apparel.

The textile industry was the weakest industry in the United States. If we return to the inequity of the two-price system, we will again see all the damage we saw in that era.

The liquidation of jobs has not ceased. Two years ago, a number of mills in the northwest part of my State of Georgia liquidated, and 2,300 employees were thrown out of jobs. In Covington, Ga., this year, a mill was liquidated, and hundreds of people became unemployed.

In Cedartown, Ga., this year the same thing happened at a time when we are attempting to fight poverty by spending millions of dollars.

I do not believe that Congress should pass laws that are designed deliberately to force poverty by rendering the people who work in textile mills unemployed or by making them work on short time.

If the Senate passes the cotton program that was approved by a one-vote majority of the Committee on Agriculture and Forestry, we will go back to the ruinous program of the past.

If we are to save our cotton industry, the only alternative is to vote against the committee majority and adopt the amendment that is now pending before the Senate.

I regret that I must disagree so sharply with the distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] and those who think as he does on the cotton issue. The chairman of our committee is a most able, dedicated, and conscientious individual. I am proud of his friendship. He works tirelessly in the interest of our farmers and our Nation. In this instance, he is wrong, and I am forced to disagree with him.

I am forced to disagree with and to oppose with all the vigor in my being that I possess, the committee cotton program that was approved by an 8-to-7 vote, because I am convinced that if the committee bill is approved, we shall soon see the end of the road for cotton in the United States for a long time.

The handwriting has been on the wall, and has been plain for anyone to see, that our cotton policy for many years has been badly in need of change.

In 1930 the United States produced more than 50 percent of the world's cotton. In 1930 the United States produced 14 million bales of cotton against a world production of about 12 million bales. What has been the practice since that time? Foreign production has increased from 12,298,000 bales in 1930 to 36,425,000 bales in 1964.

What has the United States done during that period? Our cotton production has gone up from 13,932,000 bales in 1930 to 15,148,000 bales in 1964.

In other words, while cotton production in the United States during 34 long years has been almost constant, there has been a 200-percent increase in the rest of the world.

Why has that been? It is because we have had a system under which our farmers pawn cotton with the Federal Government but forfeit title thereto, and the Federal Government has held a price umbrella of high price supports over the rest of the world, thus making it profitable for so many throughout the rest of the world to expand their cotton production, while we were contracting our acreage. Cotton acreage in the United States has been constantly reduced.

More than 60 percent of the farmers in Georgia and the other Southern States have cotton allotments of less than 10 acres.

We have been plowing under the American cotton farmer and guaranteeing a profit to the rest of the world. Our policy has failed. It is high time we thought of some new approach. I favor high income to our farmers. I believe that the man who tills the soil and produces cotton should receive a fair price for it, but the price should be devised in such a way that the very program designed to aid it does not put him out of business. That has been the program we have lived with for more than a quarter of a century.

Foreign cotton production has increased to three times what it was, while ours has remained at about the same as the 1930 level. For nearly 15 years the support for cotton producers' prices has been unrealistic and unresponsive to the needs of the cotton industry. Our protective umbrella of high price supports

has kept American cotton out of foreign markets and has encouraged the expansion of cotton acreage and cotton production in foreign countries. It has also encouraged the production and use of competing man-made fibers.

World production of synthetic fibers has increased from 2½ billion pounds in 1950 to 11.3 billion pounds last year. It continues to increase year after year after year.

Because of this impracticable price support system, which is pricing our cotton out of the world market, the Federal Government has become a sort of broker for cotton. The Commodity Credit Corporation now owns more than 11 million bales of cotton. The cost of taking this cotton under price support loans, or of taking ownership when the loan matures, and the cost of storing each bale of cotton for approximately 20 months until it is disposed of, come to in excess of \$25 a bale, or 5 cents a pound. This is the cost for the handling and deterioration of the cotton. It does not include losses due to selling for less than the Commodity Credit Corporation investment in order to dispose of the cotton.

During the past 13 years, more than 61 million bales of cotton have been placed under loan. Some of this has been redeemed, of course. But, more than 45 million of these bales of cotton came into CCC ownership.

The Government should not be in the business of buying, storing, shipping, and selling cotton. The only way to take the Government out of this business, where it does not belong, is to let cotton into the market at its real competitive value. We must let cotton compete in the marketplace both with foreign produced cotton and with competitive synthetic fibers. The only way to do this is to make the price support loan level somewhat more comparable with the world market.

Mr. President, Congress is concerned with cotton because production is out-running utilization by a steadily widening margin. The obvious course for restoring stability in the cotton industry is to encourage farmers to bring their production into better balance with demand, and to encourage increasing consumption of cotton at home and abroad.

In changing cotton policy to achieve those objectives, it is just as desirable to retain and strengthen those parts of the present program that work as it is to replace those which have proved ineffective.

The record of the past year indicates that one-price cotton has been a plus factor, making cotton available—

Mr. SALTONSTALL. Mr. President, will the Senator from Georgia yield at that point?

Mr. TALMADGE. I am delighted to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator just said that the consumption of cotton has increased. Do I correctly understand that this increase amounts to 600,000 bales?

Mr. TALMADGE. The Senator is correct—600,000 bales.

This is making cotton available, as the Senator has pointed out, increasing do-

mestic consumption of cotton by 600,000 bales. Added to that are 28,000 jobs in the textile industry which will bring the industry to the highest level of its economic history.

Mr. President, in that connection, since we have had one-price cotton, those who work in the textile mills have had three wage increases in the past 18 months, totaling one-half billion dollars with each increase.

Mr. SALTONSTALL. Mr. President, will the Senator from Georgia yield at that point?

Mr. TALMADGE. I am delighted to yield.

Mr. SALTONSTALL. The Senator has stated the increase in the number of bales and the increase in the number of textile industry workers. Has it not also stimulated investment in new textile plant and machinery which is an important factor in our domestic industry being able to compete with industries abroad?

Mr. TALMADGE. My information is that the textile industry at the present time is spending over \$1 billion in modernization and plant improvement.

Mr. President, we must bring the cotton industry into a more competitive position with manmade fibers and halt the decline in the per capita cotton consumption. We must boost textile industry investments in new plants and equipment over the average for the previous 5 years. We have improved the wage structure of the textile workers. Let me emphasize the word "helped" in relation to the role of cotton in this encouraging record, to the action taken by Congress since 1961, to strengthen the total economy, which naturally reflected the benefits to agriculture and the industry.

I would not assume the role of an expert on the mechanisms required for an effective farm program. However, the national interest demands that they be directed toward the goals of a reasonable balance between commodity supply and demand, the maintenance of the State rural economy, and by a structure that encourages maximum consumption at home and abroad at minimum Federal cost and control. A basic step toward achievement of these objectives in the cotton area is the construction of a program around the one-price principle.

The pricing provisions in the cotton proposal reported by the committee to the Senate appear to provide a 3-price tier—one for foreign buyers, another for domestic buyers, and a third for the U.S. Government which would, in effect, become the biggest buyer and seller. The Government should be the referee, the mediator, the guideline builder, in contributing to the stability of agriculture and industry. The Government should not be the major cotton buyer, warehouseman, domestic salesman, and exporter.

The cotton program created by Congress should revolve around a one-price cotton program. There is a way to do this, Mr. President, and maintain farm income at the same time. But, do not misunderstand me. I am in favor of price supports at the highest practicable

level for our farmers. In that connection, at the present time, the farmers of America enjoy an income approximately only half the average of the non-farmers of the country. It is high time that we did something to try to improve the income of our farmers. Certainly, there is every justification in the world for maintaining cotton farmers' income.

We have found acceptable ways to do this in the case of wheat and feed grains, and wool and sugar.

Why not cotton?

The income of producers has been maintained in these other commodities by allowing them to seek their value in the marketplace while complementing them with direct payment to the farmers.

Mr. ERVIN. Mr. President, will the Senator from Georgia yield at that point?

Mr. TALMADGE. I am delighted to yield to the Senator from North Carolina.

Mr. ERVIN. Does not the Senator's observation apply equally to rice?

Mr. TALMADGE. Oh, yes, indeed—also to rice. I appreciate the Senator's calling my attention to that fact. We have found that we can vastly increase the export of any farm commodity by reducing the loan level to around the world market price, and then make up the difference with direct payments to farmers. In doing that, we can raise farmers' income and we can relieve the Government of the cost of warehousing and storing, and we can broaden the base for future farm sales by expanding the export of those commodities abroad, also increasing the utilization of those commodities domestically. Therefore, it makes sense from every standpoint.

Mr. SALTONSTALL. Will the Senator from Georgia yield right there?

Mr. TALMADGE. I am delighted to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator just mentioned a number of situations which could be improved. Has the Senator mentioned how a one-price cotton program affects our workers who make apparel—the clothes we manufacture and wear in this country? As I understand it, in New England alone, there are over 86,000 people employed in the apparel industry. We also have a textile machinery industry. In Massachusetts over 10,000 persons are employed in the manufacture of textile machinery. If we have one-price cotton, we are going to continue to stimulate the textile producers, the apparel industry, and the manufacture of textile machinery. We hope to increase the number of people who will be employed in these industries and stimulate further investment in modern textile plant and equipment. Am I not correct?

Mr. TALMADGE. The Senator is correct. I appreciate the Senator's bringing forth that message. He is making a valuable contribution to cotton policy.

Mr. President, the cotton farmers are no different from the producers of other agricultural commodities. We should not continue to drive these farmers out of the cotton business, neither should we drive out our cotton merchants, our cot-

ton ginner, our cotton warehousemen, of our cotton seed crushers.

Cotton is the best of our natural fibers. We should not force textile manufacturers to turn from cotton to synthetics in order to hold and build their markets. However, we would be wrecking our cotton industry if we were to pass the committee bill.

The cotton surplus would continue to pile up in all our warehouses. The Government cost would be raised to an intolerable level. Our cotton could not compete in the world market without Government manipulated subsidies. Our cotton farmers eventually would be ruined.

What must we do, Mr. President, to keep this destruction of our cotton industry from taking place? First, we need a new approach to our cotton problem, a new program which would make cotton fully competitive in the world markets and at home with synthetic fibers. This could be done by means of price support loans based on the world market price. Second, we must maintain cotton farm income on equal terms with other agricultural commodities through direct payments, supplementing the price support loans. Third, we must reduce the surplus of cotton to reasonable levels through payments to farmers who participate in the program by reducing their planted acreage. Fourth, we must reduce the Government cost. This can be done through increased consumption of cotton on a free market and a reduction of cotton stocks through a program of reduced production.

Mr. President, the cotton provision of the bill approved by the committee utterly fails to accomplish any of these needed objectives. The committee bill would take us back to the ruinous two-price system. The committee bill would continue prices under the loans at levels that would be wholly unrelated to the world market price. It would involve the Government deeper and deeper in the business of buying, storing, shipping, and selling cotton.

The committee bill would not allow cotton to move to market on a free, competitive basis. Instead of that, one subsidy rate would apply to domestic production and a higher rate would apply to exports.

Our domestic mills would have to pay more than would the foreign mills for the cotton. This would speed the shift by domestic mills from cotton to synthetic fibers.

Another bad feature of the committee bill is that it would force the export sale, on a competitive bid basis, of 6 million bales of cotton a year. This would disrupt the world cotton market and create serious international problems and force the Secretary of Agriculture to dump large stocks of cotton in foreign markets, at staggering cost to our Government.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. PASTORE. Mr. President, ironically enough, I think it can be said that the committee bill recognizes the problem but does nothing to solve it.

Mr. TALMADGE. I share the view of the Senator.

Mr. PASTORE. Mr. President, if we were to do nothing at all about this problem of the two-price cotton system, one would assume that we do not have such a problem confronting and imperiling the jobs of workers in the United States. However, the committee bill did proceed to recognize the problem. An entire section was placed in the bill to refute what the House had done. Then, as it turns out, the committee proceeded to do nothing to solve the problem.

I believe that one of the mistakes that has been made is that we are talking about this problem in terms, I fear, that the man on the street does not understand.

We talk about the one-cotton price system and about the two-cotton price system, and no one in the gallery here knows what we are talking about. Let us translate it in terms of the threat to American jobs—American bread-and-butter textile jobs.

Fundamentally, that is the problem. We are talking about American jobs. How long has it been un-American to talk about American jobs?

In the past 10 years we have closed 1,000 mills in the United States, in a period when our gross national product has been rising astronomically. It is the one industry that has not merely remained stagnant but has tragically declined—so much so, that, pursuant to a resolution adopted by the Senate, an exhaustive study of the textile industry in the United States of America was made.

What did we discover? We discovered that American raised cotton can be sold abroad for 8.5 cents a pound cheaper than the American mill owner must pay for it in the United States. However, that is not the end of the problem.

If they were to take the raw cotton abroad for 8.5 cents a pound cheaper, and make shirts and put those shirts on the backs of their own people, we would have no complaint. However, that is not the story. After they buy this cotton for 8.5 cents a pound cheaper than the American mill owner would have to pay for it, they then make products with the cotton and send them back to America.

The result was American mills were shut down by the hundreds and American jobs lost by the hundreds of thousands.

We made a salutary move last year when the one-price cotton system was adopted—equal treatment of the American cotton industry with its foreign competitors.

That is what we are fighting for this afternoon. We are not asking for a handout. We do not want a handout. All we want is equity. All we want is justice. All we are saying is, Let the American millowners buy the raw cotton which is produced in America at the same price as the Japanese millowner, who would proceed to make the cotton into a shirt and send that shirt back to America to undercut and undersell American-produced goods, and thereby put Americans out of jobs.

That is how simple the issue is. That is all we are fighting for this afternoon. We do not want a handout.

There is nothing contained in the bill that would require the Government to pay 1 penny to an American millowner. All we are asking is that the money be paid to the cotton producer in such a way that the American buyer will be able to buy the cotton at the same price as the foreign buyer. The issue is as simple as that. That is what we mean by the one-price system and the two-price system.

The two-price system allows a foreign buyer to buy cotton for 8.5 cents a pound cheaper. We want Americans to receive the same consideration.

Mr. TALMADGE. Mr. President, I thank the able Senator for his invaluable contribution. Every word the Senator has spoken is eminently correct.

Mr. President, I yield to the distinguished senior Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. ERVIN. Mr. President, I agree in substance with everything that the able and distinguished senior Senator from Rhode Island has said, except to a very slight degree.

I believe that the committee bill recognizes the problem of the two-price cotton system, and is designed to do just a little about the problem.

It is similar to the case of the man who wanted a short-tailed dog. He proceeded to cut off the dog's tail a little bit at a time so that it would not hurt the dog so much. That is the procedure followed in the committee bill with relation to this phase of the problem.

Mr. TALMADGE. Mr. President, I thank the Senator. I agree with the Senator.

Mr. President, do not misunderstand me. I am heartily in favor of exporting as much cotton as we possibly can. I am in favor of regaining the markets throughout the world which we have lost by virtue of our unworkable program. However, this should be done in an orderly manner, by placing cotton on the market at a price by which the cotton could fully compete with foreign grown cotton and synthetic fibers.

The committee bill would not reduce our cotton carryover stocks to manageable levels. At the end of 4 years, the committee bill would reduce the carryover by no more than 3 million bales, which is not nearly enough.

Most important of all, the committee

bill would result in a much higher cost to the Government. For the 4-year period, the committee bill would cost \$762 million more than the bill proposed by my colleagues and myself.

Under our present program, our cotton exports will decline, and cotton is not keeping pace with the increased use of manmade fibers.

Our present program is plowing under the cotton grower. The program in the committee bill would finish the job of plowing him under. This is intolerable.

Mr. President, we must make American cotton competitive once again and put the cotton farmer back on his feet.

Mr. President, I desire to offer for the RECORD at this time, and ask unanimous consent to have printed, a document which shows the production of cotton in the United States of America from 1925 to date; also the production of cotton, worldwide, from 1925 to date. Table 2 shows the increase of manmade fibers, production in the United States and foreign countries. Table 3 shows cotton pledged for loans and purchases by Commodity Credit Corporation from the years 1933 through 1964.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—Production and acreage harvested of cotton, United States, foreign countries, and world, 1925–64

Year beginning Aug. 1	Production			Acreage harvested			Year beginning Aug. 1	Production			Acreage harvested		
	United States	Foreign countries	World	United States	Foreign countries	World		United States	Foreign countries	World	United States	Foreign countries	World
	1,000 bales ¹	1,000 bales ¹	1,000 bales ¹	1,000 acres ¹	1,000 acres ¹	1,000 acres ¹		1,000 bales ¹	1,000 bales ¹	1,000 bales ¹	1,000 acres ¹	1,000 acres ¹	1,000 acres ¹
1925.....	16,105	12,135	28,240	44,386	43,314	87,700	1945.....	9,015	12,110	21,125	17,029	37,491	54,520
1926.....	17,978	10,942	28,920	44,608	39,942	84,550	1946.....	8,640	12,950	21,590	17,584	38,116	55,700
1927.....	12,956	11,934	24,890	38,342	39,758	78,100	1947.....	11,860	13,380	25,240	21,330	38,380	59,710
1928.....	14,477	12,403	26,880	42,434	42,866	85,300	1948.....	14,877	14,293	29,170	22,911	40,019	62,930
1929.....	14,825	12,035	26,860	43,232	43,168	86,400	1949.....	16,128	15,152	31,280	27,439	42,181	69,620
1930.....	13,932	12,298	26,230	42,444	43,006	85,450	1950.....	10,014	18,241	28,255	17,843	50,357	68,200
1931.....	17,097	10,723	27,820	38,704	43,396	82,100	1951.....	15,149	20,571	35,720	26,949	57,801	84,750
1932.....	13,003	11,297	24,300	35,891	42,609	78,500	1952.....	15,139	20,681	35,820	25,921	56,054	81,975
1933.....	13,047	13,873	26,920	29,383	46,717	76,100	1953.....	16,465	22,655	39,120	24,341	56,189	80,530
1934.....	9,636	14,174	23,810	26,866	48,634	75,500	1954.....	13,697	24,939	38,636	19,251	60,024	79,275
1935.....	10,638	16,877	27,515	27,509	51,901	79,410	1955.....	14,721	27,999	42,720	16,928	67,582	84,510
1936.....	12,399	19,952	32,351	29,755	54,810	84,565	1956.....	13,310	28,890	42,200	15,615	66,925	82,540
1937.....	18,946	20,059	39,005	33,623	58,942	92,565	1957.....	10,964	30,551	41,515	13,558	65,732	79,290
1938.....	11,943	18,017	29,960	24,248	51,652	75,900	1958.....	11,512	32,938	44,450	11,849	66,511	78,360
1939.....	11,817	17,818	29,635	23,805	49,465	73,270	1959.....	14,558	32,007	46,565	15,117	64,688	79,805
1940.....	12,566	18,639	31,205	23,861	53,369	77,230	1960.....	14,272	32,908	47,180	15,309	63,981	79,290
1941.....	10,744	17,161	27,905	22,236	52,149	74,385	1961.....	14,318	31,597	45,915	15,634	64,853	80,487
1942.....	12,817	14,528	27,345	22,602	44,873	67,475	1962.....	14,867	33,431	48,298	15,569	63,915	79,484
1943.....	11,427	14,208	25,635	21,610	46,485	68,095	1963.....	15,334	34,845	50,179	14,212	66,287	80,499
1944.....	12,230	12,585	24,815	19,617	39,973	59,590	1964.....	15,180	36,425	51,605	14,060	67,550	81,610

¹ Bales of 500 pounds gross weight.

Source: Statistical Reporting Service and Foreign Agricultural Service.

TABLE 2.—Manmade fibers: Production in United States and foreign countries, average, 1947–49, and annual, 1950 to date

[In millions of pounds]

Calendar year	United States			Foreign countries						World total		
	Rayon and acetate	Non-cellulosic ¹	Total ²	Free world			Communist bloc			Rayon and acetate	Non-cellulosic	Total ³
				Rayon and acetate	Non-cellulosic	Total ²	Rayon and acetate	Non-cellulosic	Total ²			
Average: 1947–49.....	1,032	74	1,106	1,209	9	1,218	216	1	217	2,460	84	2,544
1950.....	1,259	146	1,405	1,927	26	1,953	366	5	372	3,553	177	3,730
1951.....	1,294	205	1,499	2,296	51	2,347	419	9	428	4,010	264	4,274
1952.....	1,136	256	1,392	1,916	64	1,979	483	14	497	3,534	333	3,867
1953.....	1,197	297	1,494	2,415	88	2,503	542	20	562	4,154	405	4,559
1954.....	1,086	344	1,430	2,745	127	2,872	639	24	663	4,469	495	4,964
1955.....	1,261	455	1,716	3,046	178	3,224	717	37	754	5,023	670	5,693
1956.....	1,148	497	1,645	3,336	246	3,582	768	42	811	5,252	786	6,038

Footnotes at end of table.

TABLE 2.—Manmade fibers: Production in United States and foreign countries, average, 1947-49, and annual, 1950 to date—Continued

[In millions of pounds]

Calendar year	United States			Foreign countries						World total		
	Rayon and acetate	Non-cellulosic ¹	Total ²	Free world			Communist bloc			Rayon and acetate	Non-cellulosic	Total ²
				Rayon and acetate	Non-cellulosic	Total ²	Rayon and acetate	Non-cellulosic	Total ²			
1957.....	1,139	626	1,766	3,467	352	3,819	841	51	892	5,448	1,029	6,477
1958.....	1,035	594	1,629	3,046	399	3,445	932	58	991	5,014	1,051	6,065
1959.....	1,167	793	1,960	3,368	588	3,956	1,002	68	1,070	5,537	1,449	6,986
1960.....	1,028	854	1,883	3,603	837	4,441	1,099	77	1,177	5,731	1,769	7,500
1961.....	1,095	900	1,995	3,617	1,015	4,632	1,201	109	1,310	5,914	2,024	7,938
1962.....	1,272	1,163	2,435	3,752	1,316	5,068	1,273	145	1,418	6,298	2,624	8,922
1963.....	1,349	1,348	2,697	4,044	1,667	5,711	1,335	179	1,514	6,728	3,193	9,921
1964.....	1,432	1,647	3,079	4,357	2,181	6,538	1,466	225	1,691	7,256	4,053	11,309

¹ Includes glass fiber.² Totals were made before data were rounded.

Source: The Textile Organon, a publication of the Textile Economics Bureau, Inc.

TABLE 3.—Cotton pledged for loans and purchases by Commodity Credit Corporation, 1933-64

Crop year	1,000 bales	Crop year	1,000 bales
1933.....	1,926	1949.....	3,190
1934.....	4,362	1950.....	8
1935.....	115	1951.....	1,115
1936.....	(1)	1952.....	2,308
1937.....	5,581	1953.....	6,764
1938.....	4,482	1954.....	2,270
1939.....	30	1955.....	7,231
1940.....	3,180	1956.....	4,831
1941.....	2,281	1957.....	3,737
1942.....	3,143	1958.....	6,776
1943.....	3,594	1959.....	2,950
1944.....	2,122	1960.....	2,820
1945.....	216	1961.....	4,833
1946.....	146	1962.....	6,853
1947.....	280	1963.....	8,089
1948.....	5,272	1964.....	7,341

¹ No loan programs.² Loan and purchase program in operation.

ESTIMATED PAWNBROKER COSTS

If a bale placed under loan is not redeemed it will be taken into CCC inventory upon maturity of the loan. If it is sold by CCC 10 months later at a price equal to that at which it was placed under loan, CCC costs would be about as follows:

	Per pound
(a) Storage, 20 months.....	\$1.58
(b) Interest, 20 months.....	1.90
(c) Loss on final settlement (deterioration in grade).....	1.35
(d) Administration of program.....	.20

Under the above assumptions CCC costs would be \$25.15 per bale.

CCC currently has in inventory from the 1963 and prior crops about 6,642,000 bales and from the 1964 crop about 4,820,000 bales. This cotton must be disposed of by CCC and its costs will depend on the terms of disposition.

Mr. SALTONSTALL. Mr. President, will the Senator yield, if he is in a position to yield at this point?

Mr. TALMADGE. I am glad to yield to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. What the Senator from Georgia, the Senator from Rhode Island, and I wish to emphasize is that we do not want to hurt the farmers who produce cotton. What we want to do is protect production and jobs available in the United States from competition abroad which we think is unfair to the citizens of the United States. What we want is to have the jobs available in the United States and

to have the textile industry grow in this country—not to the injury of the farmers producing the raw cotton, but in a way that will benefit all of us. Is that correct?

Mr. TALMADGE. The Senator is eminently correct. This amendment would increase the status of the industry in America. It would give the producer a better market, both domestic and abroad, and at the same time provide a healthier textile economy, so that more people can be employed in mills. Finally, it would help the product itself, cotton, which is the finest material in the world, so that it could be sold to consumers at reduced prices.

Mr. President, I ask unanimous consent to insert in the RECORD tables prepared by the Department of Agriculture, which show the cost of the committee's program over the 4-year period to be \$762 million more than the proposal I offer, and at the end of the 4-year period cotton in CCC warehouses would still remain at 2,650,000 bales more than would remain under my proposal.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Upland cotton—Estimates of basic data, 1966-69 crops

ELLENDER BILL¹

	1966	1967	1968	1969		1966	1967	1968	1969
Allotted.....1,000 acres..	16,200	16,200	16,200	16,200	Farm value of production and payments				
Planted.....do.....	13,500	11,100	11,150	11,200	million dollars..	2,236	2,555	2,611	2,670
Harvested.....do.....	13,100	10,900	10,950	11,000	Expenditures:				
Yield.....pounds per acre..	535	580	595	610	Net price support.. Million dollars..	+14	+203	+126	+56
Supply and utilization:					Storage and handling charges..do.....	-60	-54	-50	-47
Beginning carryover.....1,000 bales..	15,400	15,300	13,850	12,950	Equalization payments (domestic)..do.....	-132	-130	-129	-127
Production.....do.....	14,600	13,150	13,600	14,000	Export subsidy (cotton and cotton products).....do.....	-288	-288	-288	-288
City crop and imports.....do.....	100	100	100	100	Public Law 480 (cotton only).....do.....	-100	-100	-100	-100
Domestic consumption.....do.....	8,800	8,700	8,600	8,500	Domestic allotment payments..do.....	-164	-585	-609	-640
Exports.....do.....	6,000	6,000	6,000	6,000	Total.....	-730	-954	-1,050	-1,146
Ending carryover.....do.....	15,300	13,850	12,950	12,550	Change in CCC stocks (6 to 30) bales.....	-100,000	-1,450,000	-900,000	-400,000
Support price M-1 inch..cents per pound..	28.0	28.0	28.0	28.0					
Domestic payment in kind rate.....do.....	3.0	3.0	3.0	3.0					
Export subsidy.....do.....	9.0	9.0	9.0	9.0					
Domestic allotment payment rate.....do.....	7.0	11.2	11.2	11.2					

¹ Assumes adjustment in skip row.

Upland cotton—Estimates of basic data for 1966, 1967, 1968, and 1969

H.R. 9811, TALMADGE AMENDMENTS

Item	1966 (1)	1967 (2)	1968 (3)	1969 (4)	Item	1966 (1)	1967 (2)	1968 (3)	1969 (4)
Acreage (thousands):					Export price per pound (Middling 1 inch) .. cents	21	20.5	20	19.5
Allotted	16,200	16,200	16,200	16,200	Export price per pound (average of crop) .. cents	20.3	19.8	19.3	18.8
Soil bank, conservation reserve	350	300	250	200	Domestic allotment payment rate	(²)	(²)	(²)	(²)
Planted	12,340	11,935	11,570	11,105	CCC minimum sales price Middling 1 inch (ex- port or domestic)	22	21.5	21	20.5
Harvested	12,000	11,600	11,250	10,800	Effective price, domestic (average of crop)	22	21.5	21	20.5
Yield: Pound per acre harvested	1,550	1,565	1,580	1,595	Effective price, export (average of crop)	22	21.5	21	20.5
Domestic allotment (1,000 acres)	11,230	11,230	11,230	11,230	PIK rate per pound				
Domestic allotment (percent)	65	65	65	65	Producer payments on domestic allotment acreage	\$710	\$759	\$791	\$823
Domestic allotment (1,000 bales)					Farm value of production .. million dollars	\$1,512	\$1,467	\$1,428	\$1,374
Supply and utilization production (1,000 bales)	13,750	13,650	13,600	13,400	Savings in direct cost on acres taken out of cotton (at \$70 per bale)	\$88	\$94	\$98	\$112
Beginning stocks (including preseason ginning)	15,400	14,450	13,200	11,700	Total of production, payments, and savings	\$2,310	\$2,320	\$2,317	\$2,309
Imports and city crop	100	100	100	100					
Domestic disappearance	9,500	9,500	9,500	9,500					
Exports	5,300	5,500	5,700	5,900					
Ending stocks	14,450	13,200	11,700	9,800					

¹ Skip row adjusted.² Based on Aug. 1, 1965 crop report.³ 14.65, 13.04, 10.62 cents per pound.

Upland cotton—Comparison of estimated expenditures for 1966, 1967, 1968, and 1969

H.R. 9811, TALMADGE AMENDMENTS

[In millions of dollars]

Item	1966 (1)	1967 (2)	1968 (3)	1969 (4)	Item	1966 (1)	1967 (2)	1968 (3)	1969 (4)
Major items of receipts or expenditures:					Public Law 480	-112	-110	-107	-105
Loans made					PIK equalization payment (domestic and export)				
Loans repaid	+102	+134	+158	+195	Interim payments				
Sales proceeds					Domestic allotment payments	-710	-759	-791	-823
Storage and handling charges	-56	-51	-45	-38	Total major expenditures (excluding interest) ¹	-776	-786	-785	-771
Subtotal, price support	+46	+83	+113	+157	Change in CCC stocks (June 30) (from prior year)	-950,000	-1,250,000	-1,500,000	-1,900,000
Export subsidy									
Cotton products									

¹ Does not include miscellaneous expenses of about \$2,000,000 primarily for cotton classing.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to my distinguished friend the acting minority leader.

Mr. KUCHEL. Mr. President, I am pleased to support the amendment offered by my friend the junior Senator from Georgia. It is infinitely superior to the Senate committee amendment. I am very glad to have my name on the amendment as a cosponsor. I come from a State where the cotton economy is important to my people as well as to this country.

The cotton industry in America is sick. With all my heart, I regret the product of the Agriculture Committee. I am persuaded that it would not cure the sickness, but, alas, make it worse. The fact is that I support the position which the administration has taken with respect to cotton legislation this year. It seeks to go forward to a free, competitive system of American enterprise, on which our country has grown to greatness.

There is a tendency in the amendment, which I support, toward freedom for the American cotton farmer, if he desires to exercise that freedom, unfettered by Federal governmental restrictions and unchecked by Federal soporifics and, in the old-fashioned American way, use his ground and till it to produce as much cotton as he, and he alone, decides to raise and sell on the open market, here and abroad, in competition with his neighbor.

If the question were asked in the Senate, "How much does it cost to grow cotton in the United States?" no one could give a precise answer. No one knows. The Government does not know. Only if we find a way in which the American cotton farmer can do that which he alone desires, spurred on by his own initiative and daring, unhampered by any type of governmental restriction, free of any subsidy—then, and only then, will we here have taken a step toward elimination of what some people have called the mess in Washington.

I salute the distinguished Senator from Georgia for sponsoring the amendment, which I wholeheartedly support.

Mr. President, I received a letter from a friend of mine in California the other day. He is a fine citizen. He is a farmer. He raises cotton. Let me read only a part of that letter:

As far as the West is concerned a further restriction of acreage means a slow strangulation of a crop that is our No. 1 cash crop in California and possibly worse than that acreage now growing cotton must find its way into other crops thereby injuring the economic position of those crops.

What an important point to ponder in this debate. The hundreds of thousands of acres in my State, and the hundreds of thousands of acres of cotton in other States, would be confined and restricted and punished by government fiat, under the committee proposal, to bring into being surplus lands in American agriculture which would then be compelled to grow other crops and produce a de-

leterious or debilitating effect which could finally provoke a general, across-the-board type of Federal control, which could compound the mess, and make it worse. Beware, Mr. President, of such a course.

Let me quote further from the letter:

That principle not only holds for California but also for the Nation. Sixteen million acres has been used to grow cotton; if the cotton position continues to deteriorate in the marketplace two things will happen: First, at best we will continue to reduce acreage to a point where we would only be growing for the domestic market; this means roughly a reduction of 40 percent or an allowable planting of 9,600,000 acres. Second, it could mean the disappearance of the entire cotton industry.

I repeat that—

Second, it could mean the disappearance of the entire cotton industry. At this point the entire 16 million acres would have to find its way into other crops. In either event a Senator cannot be unconcerned about the fate of cotton because that 16 million acres is in an area that can grow crops competing with the great Middle West or any other section of the Nation. The economic impact of this diverted acreage on those crops would mean one of two things: Either economic chaos or a Government support program on all crops. This would probably cost more than any farm program we have had.

Should we not need the advice of this American? Should we not take some small step toward unshackling the American cotton farmer? Should we not desire for our cotton economy a greater and more realistic share of the world cotton market? Is it not more in the interest of

this Nation to follow the best, long-range goal of raising the cotton industry back into a vigorous, competing industry here and abroad, rather than to spend additional billions as the committee amendment would do?

I say to the distinguished Senator from Georgia that he does a service to the people of the United States in offering the amendment. The Senator from Georgia has made an unassailable argument. The senior Senator from Rhode Island, made graphically clear the necessity for the Senate to adopt our amendment. It is in the interest of the cotton industry. It is in the interest of the American people.

Mr. TALMADGE. I thank my esteemed friend and distinguished acting minority leader for his invaluable contribution to this discussion.

Mr. President, at this point I ask unanimous consent that the name of the senior Senator from South Carolina may be listed as a cosponsor of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, the point has been made that the cotton program proposed by the House would more nearly reflect the realities of today's world than does the substitute program proposed by the Senate committee. And I do not think this can be overemphasized. Under the House proposal, cotton prices would be supported at levels based on the world price. Payments to producers would augment this as far as grower incomes are concerned, so that the return to producers would be maintained.

This would make it possible for cotton to move into export without a subsidy and without the need for the Commodity Credit Corporation to take any special action to make it competitive. There would, as a result, be no need for equalization payments to domestic users of cotton. To put it simply—U.S. cotton could compete freely in the world market.

There is an additional point I should like to emphasize, however. And it is this: With the price support loan rate at the world market level, I am convinced that private traders would work harder at moving U.S. cotton overseas. And the private trade, after all, is the key to the movement of dollar exports abroad.

Mr. President, we delegate to the Government the direct sale of cotton, and expect them to succeed. We should remember that the Government of the United States is engaged in business just one floor below us. The only thing for which the buyer must pay, which the Government does not furnish, is the food that he eats. The Government furnishes the building, the heat, the air conditioning, the lights, the waiters, the linen, the cooking utensils, the uniforms—everything is furnished by the Government.

What happens? Hamburgers, for a simple example, sell for 80 cents each, and the Senate Restaurant operates at a deficit.

If the Government of the United States cannot operate a little restaurant, selling hamburgers at 80 cents each, with-

out losing money, how can we expect the Government to dispose of the more than 11 million bales of cotton in CCC warehouses without incurring a deficit?

Freed of the red tape and complications implicit in an export subsidy operation, United States cotton exporters would be able to function aggressively in the markets of the world. They would be assured that they would be able to obtain United States cotton and move it at prices competitive in a world market whereas in recent times, other nations have been gaining an alarming advantage over us.

I remind Senators that we have had similar experiences with feed grains. If we look at the history of dollar exports of corn and wheat, we find that when we moved to a program of price support loans at or near the world level, we exported more of the commodity, even though the Government's role in pushing exports was reduced. That, I content, was due at least in part to the freedom with which private traders were able to function in the world market, and the encouragement given to private traders to move grains into that market with a minimum of Government participation.

Take corn for example. With the 1963 corn crop, we instituted a program with a loan level which substantially reflected the domestic price and world price. Additional payments were provided to maintain grower income, so that the farmer would not suffer. The effect on exports is apparent from the figures.

In the preceding marketing year, beginning October 1, 1962, we had had corn exports of 416 million bushels—not a bad export year. But in the very next marketing year, 1963–64, we had corn exports of 500 million bushels, which reflected that lower loan level. This was an increase of 84 million bushels, almost a fifth, above the exports of the preceding year, which had reflected a higher loan level.

In the 1964–65 marketing year, the one now drawing to an end, corn exports have risen still further. They are expected to amount to about 510 million bushels.

Or consider wheat. Beginning with the wheat crop of 1964, the wheat loan rate has been roughly at the world price level. In the 1964 crop marketing year, wheat exports totaled 730 million bushels, as compared with the 1958–62 average of less than 596 million. The 1964 exports were the highest on record, except for the one year that the Russians bought heavily.

During the first 2 months of the present marketing year, wheat exports are again going well, with exports for dollars running four times what they were in the same period a year ago.

I yield to my distinguished friend the senior Senator from Massachusetts [Mr. SALTONSTALL].

Mr. SALTONSTALL. Mr. President, what the Senator is emphasizing is that exports will increase if the exporting is done through private trade channels and not by the Government.

Mr. TALMADGE. That is exactly the point the Senator is attempting to make.

Mr. SALTONSTALL. Am I not correct in saying that cotton exports by the Government in the past couple of years have decreased rather than increased?

Mr. TALMADGE. Exactly so. I remind my friend the able Senator that, as he knows, when something is stocked by the Government, it announces a fixed price, and if there is any of the commodity elsewhere that can be acquired, that price is underbid slightly—perhaps by only a few cents.

What do the purchasers do? They buy from the low bidder. Thus we become the residual supplier for such farm commodities as we have in Government warehouses.

If these farm commodities could be moved into private channels of trade, the forces of competition would assert themselves, and the product could be sold in an orderly way at competitive prices. I hope we can regain some of the export markets that we have lost through the years through our policy of nonexport.

I point out further that if such products are in Government warehouses, and we try aggressively to sell them while they are Government property, we are accused by every nation on earth of dumping our surplus commodities. The State Department steps in and says, "Do not sell this cotton. It irritates India, Ghana does not like it; Brazil does not like it. Slow down." We become the residual supplier.

That is particularly true at present, when we are in negotiation with the Common Market countries on tariff concessions. If we became involved in a program such as the committee bill outlines, of dumping 6 million bales of cotton, seriously disrupting the world market price, and adversely affecting our farmers, our citizens and our taxpayers, in my judgment it would be catastrophic.

I yield again to the Senator from Massachusetts.

Mr. SALTONSTALL. What the Senator is trying to do by his amendment, if the Senate should adopt it, is to stimulate the export of more cotton by export through private trade channels rather than by Government control, because the Government at times must restrict export of our surplus cotton. At the same time, the Senator's proposal would increase the use of cotton by domestic textile mills, by providing raw cotton at a competitive price. So really the Senator's aim would accomplish two objectives, in our opinion: To increase the export of cotton and at the same time to stimulate the use of cotton in the United States, and thus increase employment, and stimulate and modernize our textile industry. Is that not what the Senator is saying?

Mr. TALMADGE. And to reduce surplus stocks in Government warehouses, which are carried at great cost to the taxpayers, and expand, ultimately, the production of cotton so that our farmers can produce more and not less.

I desire to take the Government out of the business of buying, storing, moving, selling, and giving away farm products.

and to help insure the farmer a fair return.

All of this system was designed to try to give the farmer a fair return. But it works to his disadvantage. We are operating a pawn shop under the guise of aiding the farmer. The farmer pledges his commodity in a pawn shop at a high support level, and then forfeits the title thereto. The Government must not only support the price, but act as buyer, warehouse, storer, and seller, and give the commodity away.

I believe in farm price supports. I want the farmers to be adequately protected. I do not want the farmers in Georgia or any other State in the Union to have to compete with the standard of living in the Soviet Union, Red China, Egypt, the Sudan, Brazil, or any other cotton-producing area.

I believe that the simplest way to do it, and the most direct, the most effective, and the least costly, would be to support the price at a fixed level, let the product move into private channels of trade, and let the Government give the farmer a check for the difference. In the long run, it would cost the taxpayers far less and the farmers would receive more benefits.

Mr. SALTONSTALL. It would leave the farmer freer of the Government. Is that correct?

Mr. TALMADGE. The Senator is correct. I appreciate the Senator's contributions.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to my able friend the distinguished senior Senator from North Carolina.

Mr. ERVIN. If I construe the Senator's statement aright, the Senator is of the opinion that his amendment would stimulate the movement of more American cotton into the world market in two ways; first, by creating a price for the cotton which is competitive in nature and, second, adding to the possibility of having a competitive price incentive which would drive private enterprise into aggressively finding foreign markets. Is that correct?

Mr. TALMADGE. The Senator is eminently correct.

I do not wish to oversimplify the grain export business. Obviously, many factors influence the amount of grain exported, just as many factors influence cotton exports. World supplies, pricing policies of exporting countries, our own Government policies with respect to concessional sales to developing countries, the availability and cost of shipping—these are a few of the factors. But, granting the importance of all these and more, it is still true that a domestic loan level at or near the world price encourages exports. It eliminates or eases various problems of doing business. It encourages businessmen to go after the export business with the feeling that they can handle it without the hourly services of a Philadelphia lawyer.

A look at the record of corn and wheat exports since those grains were prices at about world levels will indicate to you, as it does to me, that we should take a similar position with regard to cotton.

The situation of cotton is desperate. Carryover stocks this season will rise to an alltime record high of 15.5 million bales, or at least 8 million above normal carryover requirements.

In other words, if we do not produce any cotton in the United States for the next two years, we shall have virtually as much as we need for domestic consumption.

Government expenditures on cotton this fiscal year are estimated at more than \$800 million. Our problem is excessive costs and excessive stocks. Unless we deal with this problem effectively—and deal with it immediately—it will grow worse, to the detriment of the cotton farmers, the entire cotton industry, and the Nation as a whole.

Mr. President, cotton stocks and Government costs will continue to rise under the program approved by the Senate committee, whereas cotton stocks and Government costs would go down under the program I advocate and which is similar to the bill approved by the House.

For the first year alone, the Government costs would not be much different between the two programs. But by 1969 the committee's program would be costing the taxpayers \$1,146 million compared to less than \$800 million in the program I advocate.

Under the committee bill the carryover would be reduced only to 12.5 million bales by 1969, but under my approach the carryover would be cut down to 9.5 million bales—just about what we would need.

In his agricultural message to the Congress earlier this year, President Johnson recommended new legislation to make cotton more competitive and to reduce stocks and Government costs.

The House-approved program would go a long way toward doing this, and my amendments, I think, would be even better for the industry as a whole.

Under my amendments, the farmers would have far more freedom to plan and to plant and to adjust their cotton production than under the committee program.

My amendment, similar to the House bill, would continue the one-price system. It would reduce surplus stocks to reasonable levels, reduce Government costs and make cotton competitive again. And it would maintain farm income to co-operating farmers.

This would be done through a system of direct, compensatory payments to farmers who voluntarily reduce their cotton acreage to bring our production more in line with demand.

It would continue the 16-million-acre national allotment and establish a farm domestic allotment at not less than 65 percent of the farm acreage allotment. It would provide price support loans to cooperators at not exceeding 90 percent of the world market price. For the 1966 crop this loan rate would be 21 cents a pound.

Further, Mr. President, more than 60 percent of the cotton farmers, particularly in the Southeast, have crop allotments of 10 acres or less. Under the proposal that I have offered, each of those 10-acre farmers throughout the

United States would be producing cotton for domestic consumption, and under the proposal that I offer, during the first year those farmers would receive 35.65 cents per pound for their cotton. Price support programs would be geared to the acreage reduction, and a farmer could cut back as much as 35 percent in order to receive the highest payment.

My program would permit a farmer to stay out of the program and plant up to 1½ times his farm allotment and sell his cotton at the world price without loans or any Government aid in any way whatsoever.

But the most important feature of both the House bill and my program, Mr. President, would be the one-price system of loans at a level which would permit cotton to move into trade channels, plus direct payments to maintain farm income.

I hope I shall have the support of my colleagues in the Senate in the passage of a realistic cotton program which will save our cotton farmer, save our cotton industry and cotton trade, and help our entire national economy.

Mr. President, the first crop report of this season, issued a month ago, indicated that we shall have a record carryover of cotton next August 1 of 15,400,000 bales, a million bales more than the previous record of 1956, 10 years earlier.

We have now had the second crop report of this year. The yields are at an alltime record high. As a consequence, the carryover is expected to be more than 200,000 bales more than estimated a month ago, approaching 15,700,000 bales. Those who know cotton expect this increased yield to continue for years to come.

Under the program proposed by the Committee on Agriculture and Forestry, we can expect larger carryovers and new record highs as the years go by.

The production of cotton, ginning, warehousing, sale, transportation and spinning into cloth, the various garment industries in America, and all those who work in the garment industry, represent a very important segment of our economy. It provides livelihood to literally millions of people.

Farm areas and cities alike depend on the success of all phases of production, warehousing, manufacturing, spinning, sale, and the making of cotton into garments.

That industry is now at the crossroads. If the Senate approves the committee bill as reported to it by a one-vote margin, it will do irreparable harm to every man and woman associated with any phase of that particular industry. It will do irreparable harm also to the taxpayers, who now have stored in Government warehouses more than 11 million bales of cotton, for which there are no sales and no need. It should not have been produced under a reasonable, workable farm program which first places emphasis upon the private sector of our economy and, second, bolsters farm income by a system of compensatory payments.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I compliment the Senator from Georgia upon the amendment which he has offered and which has been supported by several other Senators, including myself. I believe that the amendment offers a fair and sound solution to the problems confronting us in the effort to control surplus cotton production and to assure a reasonable income to cotton farmers.

I have listened with a great deal of interest to the debate and discussion this afternoon conducted by the distinguished Senator from Georgia [Mr. TALMADGE], the distinguished Senator from Rhode Island [Mr. PASTORE], the distinguished Senator from Massachusetts [Mr. SALTONSTALL], and other Senators whose States are troubled by this problem.

It is interesting that we have heard a discussion conducted by Senators from New England, the original textile-producing States, and Senators from the South, the cotton-growing and new textile-producing States.

Last year Congress enacted a cotton program which was designed to remove the inequities of the old two-price cotton system. It was not a perfect answer to the problem. I much preferred the approach offered by the Senator from Georgia [Mr. TALMADGE]. But it did provide a partial answer to the disadvantages under which our domestic cotton textile manufacturers had to compete in the world market.

This year the House of Representatives adopted the one-price cotton approach contained in the Talmadge amendment. Unfortunately, the Senate committee has rejected this approach.

Under the two-price system everybody loses: cotton textile mills lose markets at home and abroad to foreign competitors and substitute fibers; workers lose jobs in cotton textile mills; and cotton farmers lose markets for their product at home and abroad.

Under the one-price system, as contained in the Talmadge amendment, farmers would be encouraged to reduce surpluses while being guaranteed a fair price for their product, cotton textile mills would be able to purchase cotton at the world price and compete at home and abroad with foreign manufacturers and substitute fibers, American workers would face a brighter future in the cotton textile industry, exporters would be able to expand their sales of U.S. cotton in the world market, and consumers would pay lower prices for cotton products. All of this would be possible with less government redtape and regulation than we have had in the past.

I am not from a cotton-producing area, but I recognize the importance of cotton to the agricultural economy of this Nation. When we enact legislation designed to help the cottonmill worker in New England or the Southeast I think we should also try to help the cotton producer in the South, the Southwest and the Far West, especially the small farmers, wherever they are.

The Talmadge amendment meets these objectives. It is good for the farm-

ers, good for the cotton textile manufacturers and workers, good for the consumer and good for the taxpayer. I urge its adoption as the best answer to our cotton problems.

I sincerely compliment the distinguished Senator from Georgia for offering the amendment.

Mr. TALMADGE. I am grateful to my warm friend the able and distinguished Senator from Maine for his contribution.

Mr. DODD. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the Senator from Connecticut.

Mr. DODD. I compliment the Senator from Georgia for the clear and lucid form of the amendment. I was not well informed on the amendment, but I am sure, after listening to the Senator from Georgia this afternoon, that I shall vote for it.

Mr. TALMADGE. I appreciate that statement. I thank the Senator.

Since the distinguished Senator from New Hampshire [Mr. McINTYRE] had asked me first, I shall yield to him now; then I shall yield to the distinguished Senator from Alabama.

Mr. McINTYRE. I thank the distinguished Senator from Georgia.

I am pleased to support the amendment offered by the Senator from Georgia [Mr. TALMADGE] and the Senator from Rhode Island [Mr. PASTORE].

The purpose of the national cotton program, as I understand it, is to provide a reasonable return to cotton producers for their work and their investment. I do not quarrel with this goal. I approve it. But I do not approve of the method of support which is established by the committee amendment to H.R. 9811.

If this is to be a national program of subsidies, then the cost should be borne by the Nation as a whole. The procedure set out in the committee amendment, however, would place a heavy burden upon one section of our national economy, which would, in effect, be driven out of business to support cotton producers. I refer to the men and women who work in, and manage, the cotton textile industry of America.

I see no justification for forcing American textile workers to lose their jobs to protect the income of American cotton producers, especially when this goal can be accomplished in a manner which will actually improve the prospects of both the cotton producers and the textile producers. It is for this reason that I intend to support the amendment offered by the Senator from Georgia.

I, along with the Senator from Maine [Mr. MUSKIE], am happy to associate with the Senator from Georgia in offering the amendment.

Mr. TALMADGE. I think the able and distinguished Senator from New Hampshire.

I now yield to my friend the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I commend the Senator from Georgia for preparing and offering the amendment. I have lived all my life in a cotton-producing area. In a small way I am a cotton producer myself.

I believe that the amendment that has been prepared and offered by the Senator from Georgia, on which I am pleased to be a cosponsor along with other Senators, is the best solution that has been offered to us this year. Many different plans have been proposed.

I wish to ask the Senator two or three questions, to make sure that I correctly understand his explanation of the amendment.

Did not the Senator from Georgia say that the plan under his amendment would, over the years, be much less expensive than the plan proposed in the committee bill?

Mr. TALMADGE. The Department of Agriculture statisticians, who made comparative costs of the committee bill and the amendment of which the distinguished Senator from Alabama is a cosponsor, indicate that over a 4-year period—

Mr. SPARKMAN. That is the life of the bill.

Mr. TALMADGE. The life of the bill. The cost of the bill we support and are sponsoring would be \$762 million less. In addition, the carryover—that is, warehouse stocks—during that 4-year period would be depleted by an additional 2,750,000 bales of cotton. In other words, the Government would get rid of more surplus stocks at less cost.

Mr. SPARKMAN. That was the next question I was about to ask. I believe the Senator said that according to the latest crop estimate, made public day before yesterday, September 7, the most reasonable estimate is 15.5 million bales. Is that not correct?

Mr. TALMADGE. I believe that 15,700,000 bales is the correct figure. It is the highest carryover.

Mr. SPARKMAN. At any rate, it is in excess of 15 million bales.

Mr. TALMADGE. That is correct.

Mr. SPARKMAN. Against a normal carryover of 7 million bales.

Mr. TALMADGE. From 7½ million to 8½ million bales.

It is further estimated that by next August the carryover will be much greater than that.

Mr. SPARKMAN. The amendment provides for a so-called one-price system.

Mr. TALMADGE. The Senator is correct. Let me say in that regard that the only criticism I have heard from anyone in America is, "We do not want payment." They are now getting payment. The committee bill provides for a 28-cent loan on cotton. The world price of cotton at the present time is about 23 cents. So they pawn the Government cotton for 5 cents a pound more than it can be sold for.

So they are getting a Government payment there of \$25 the minute they pawn the cotton. Then what happens? The Government has it in the warehouse. It becomes a Government asset or liability—whichever way we wish to look at it. The Department's figures show that the expense of owning that cotton for 20 months costs an additional \$25.15 a bale. Therefore, under that system, the payment would be \$50.15.

Why do we not do it the simple way? Why do we not call the payment what it is? It is a payment.

Why do we not let the warehousing responsibility go to the private channels of trade, those who warehouse cotton and sell it, and not involve the Government in it?

In the long run, it would cost far less.

There are many who wish to disguise and conceal a Government subsidy. I am not one of them. I believe that it is all right to have a Government subsidy for our farmers. We have had subsidies for more than 30 years, so why conceal it and say that it does not exist? It does exist.

Therefore, let us do it simply. Let us do it honorably. Let us do it honestly. Let us do it at the least possible cost.

Mr. SPARKMAN. I agree with the Senator from Georgia. Everyone knows that the general overall farm program is subsidized.

Mr. TALMADGE. The Senator is correct—certainly on the basic commodities.

Mr. SPARKMAN. The Senator from Georgia has rendered a real service to the country in the presentation of his amendment on the floor, and its preparation and offering.

Mr. TALMADGE. I am grateful to my esteemed friend the able and distinguished Senator from Alabama.

Mr. President, the Senator from Minnesota [Mr. MONDALE] has asked me to yield to him. He is a member of the Committee on Agriculture and Forestry and a most effective and articulate member. I am sure that he will render valuable service in the years to come, not only to the farmers of Minnesota but also to farmers generally throughout the country, and to the people of America.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. TALMADGE. Mr. President, I am delighted to yield to my able friend, the Senator from Minnesota [Mr. MONDALE].

Mr. MONDALE. Mr. President, I wish to express my appreciation to the Senator from Georgia for his brilliant presentation in support of his amendment to the Food and Agriculture Act of 1965. It is my privilege and honor to serve as a member of the Committee on Agriculture and Forestry, and to have spent several days with the committee discussing various farm commodity programs, including the crucial question of the cotton commodity program.

As a new member of the committee, it is my impression that of all the farm programs, the one in the most serious trouble, under existing law, is the cotton program.

Mr. TALMADGE. I share that view. The Senator from Minnesota is correct.

Mr. MONDALE. I believe so, for several reasons. First, practically all domestic production of cotton, or a good percentage of it, at least, ends up in Government warehouses, or under contract with the Government. Thus, the Government becomes the pawnbroker of the Nation's cotton production.

Second, domestic production of cotton is being seriously pressed by synthetic

substitutes which are available at low cost and which have some advantages in the textile industry as against cotton, quite apart from its price.

Next, because the Government has become the holder of most of the production of domestic cotton, it is in charge of handling the sales of cotton in world commerce, and has not done well in selling American cotton. Year after year, we have witnessed a reduction in the sale of American cotton in international commerce. The result has been a rising and extremely costly increase in Government surpluses. Worst of all, the farmer is not benefiting from it, and the textile industry is not benefiting either.

It seems to me that the approach of the Senator from Georgia is one which we have proved in the present feed grain and wheat programs. We must apply it in a somewhat different sense, but those two programs which we inaugurated in 1960 and 1961 are proving themselves. They are increasing farm income. They are reducing Government stocks. They are making us competitive in international trade and have reduced the cost of Government programs.

Over the period of 4 years, we have come from a situation of surpluses, growing headaches, growing Government costs, and reduced farm income, to the circumstances that farm income is improving, Government costs are going down, surpluses are going down, and the general economy in those farm commodities is brighter than ever before.

Mr. President, at this time, I should like to ask permission to be named as a cosponsor of the amendment offered by the Senator from Georgia.

Mr. TALMADGE. Mr. President, I ask unanimous consent at this point that the able and distinguished Senator from Minnesota [Mr. MONDALE], a member of the Committee on Agriculture and Forestry, be listed as a cosponsor of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, let me say to my esteemed friend the Senator from Minnesota that he has placed his finger succinctly and accurately upon the problem which faces cotton. He has wisely pointed out the action that we have taken in regard to feed grains and wheat, which program has resulted in more exports, more sales, and a reduction of those commodities in CCC warehouses. I am confident indeed that the same thing can be done with cotton.

I appreciate the aid and support of the able Senator from Minnesota, not only in the committee, but also on the floor of the Senate.

Mr. President, I am delighted now to yield to my able friend the Senator from New Hampshire.

Mr. COTTON. Mr. President, I commend the distinguished Senator from Georgia for offering his amendment. If he has not already done so, I ask him if he will please add my name as a cosponsor to his amendment.

Mr. TALMADGE. Mr. President, I did that at the outset of my speech and named the Senator as a cosponsor of my amendment.

Mr. COTTON. I thank the Senator for doing so.

Mr. President, I ask unanimous consent to have printed in the RECORD a telegram received by me from the Governor of my State, John W. King, on this subject.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CONCORD, N.H.,
September 9, 1965.

Senator NORRIS COTTON,
Senate Office Building,
Washington, D.C.:

This is to respectfully urge that you oppose the proposal of the Senate Agriculture Committee establishing a differential in cotton price between domestic and foreign mills. I further urge your support of an amendment in line with the bill already adopted by the House of Representatives which provides for a one-price cotton system. It is my understanding that such an amendment will be proposed with administration backing.

JOHN W. KING.

Mr. COTTON. Mr. President, I also ask unanimous consent to have printed in the RECORD pertinent portions of a letter from the Chicopee Manufacturing Co. of Manchester, N.H., which is the largest cotton mill remaining in my State, also on this same subject.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CHICOPEE MANUFACTURING CO.,
Manchester, N.H., August 23, 1965.

HON. NORRIS COTTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR COTTON: We at Chicopee are extremely interested in the cotton portion of the Food and Agriculture Act of 1965, H.R. 9811, which has just been passed by the House of Representatives and I am writing to ask your support for this legislation when it comes up before the Senate. Our primary interest is being allowed to purchase cotton, which is the single raw material purchased in largest quantity by us, at the same price at which it is sold to textile manufacturers in foreign countries. One-price cotton was embodied in legislation signed into law on April 11, 1964, but this expires on July 31, 1966, and one of the purposes of the House bill is to extend this legislation with some changes for an additional 4-year period.

WHAT THE CURRENT LEGISLATION HAS DONE

The current one-price cotton legislation which became effective a little over a year ago has done the following:

(a) It has stimulated employment. The number of employees in the textile mill products industry has increased from an average of 897,000 in 1964 to 924,000 in April of 1965.

(b) It has brought about conditions under which the textile industry generally has been able to raise wages twice within the last 9 months. In September of 1964, a wage increase of about 5 percent was given, and around the first of this month, another wage increase of an additional 5 percent was given.

(c) Capital expenditures by the industry have been greatly stimulated. Expenditures in 1965 will exceed \$1 billion, which amount is the highest in history and is about double the average for each of the past 9 years. This greatly increased capital expenditure has, of course, brought about additional employment in the machinery and equipment industries.

(d) There has been some increase in earnings of companies in the textile mill products group with consequent higher tax

revenues to the Federal Government. In 1964, the ratio of net profits after taxes to stockholders' equity for the industry was 8.5 percent, which, although considerably lower than that for all manufacturing corporations, which was 11.6 percent, was still a great improvement over the ratio for 1963 of 6.1 percent. The rank of the textile industry in this ratio is 20th in a group of 20, or is the lowest of any of the industries reported but, even so, the performance is better than it has been in the past.

OBJECTIONS TO THE PRESENT BILL

There have been two principal objections to the bill which will expire next year.

(a) It has cost too much. Just what the total cost of this cotton section has been I do not know at this time, but the cost over that originally estimated was brought about by two factors:

1. The farmers grew 2 million bales of cotton more than the Department of Agriculture predicted they would grow.

2. We exported 1 million bales less than the amount it had been estimated would be exported.

The proposed bill has some features incorporated in it which will make it necessary for the farmers to reduce the acreage planted in order to be able to qualify for benefit payments.

(b) The second complaint is that textile prices have not gone down. The textile market is a highly competitive commodity market, and prices are set by the forces of supply and demand. In anticipation of the passage of the legislation which finally became law on April 11 of last year, many users of goods held off buying and depleted their inventories in anticipation of lower prices. Immediately after the legislation became law prices did go down, but then when many buyers came into the market, the demand was so great that prices rose again to approximately the same levels they were prior to April of last year. Attached to this you will find a chart of prices of cotton products compiled from information supplied by the Bureau of Labor Statistics which shows just what has happened to prices of these products. The demand for cloth is subsiding somewhat, and, in due course, if past history is a guide, the price of cotton cloth will reflect, more than it has up until this time, the decline in the cost of raw cotton.

Mr. COTTON. Mr. President, I also ask unanimous consent to have printed in the RECORD a circular letter No. 88 from the president of the New York Cotton Exchange, Mr. F. Marion Rhodes, which I believe presents some illuminating and pertinent facts on this issue.

There being no objection, the circular letter was ordered to be printed in the RECORD, as follows:

CIRCULAR LETTER NO. 88

Senate Agriculture Committee passes three-price cotton program: By a vote of 8 to 7, the Senate Committee on Agriculture and Forestry turned its back on the progress made by the cotton industry during the past year and voted for a three-price cotton program. Although Chairman ELLENDER presented the three-price program and is being given credit for its adoption by the committee, the real power behind the scene was Senator EASTLAND and a few powerful cotton cooperatives.

The Senate committee's proposal would provide for:

1. A 4-year program, ending July 31, 1970.
2. A minimum national acreage allotment of 16 million acres.
3. A minimum national domestic acreage allotment, not less than 65 percent of the national acreage allotment.

4. Price-support loans to cooperators (who plant within their basic allotments) at any level the Secretary determines between 27.3 and 37.8 cents per pound.

5. The additional price-support payments which would be made to producers who comply with their domestic allotments would be 25 percent of the basic support rate for 1966, and between 20 and 40 percent of the basic support rates for the 1967, 1968, and 1969 crops. This provision would result in payments ranging somewhere between 7 and 9.5 cents per pound in 1966 or a total guaranteed price to the producer ranging between 34.1 and 47.3 cents per pound. During the last 3 crop years the total price guaranteed to the producer could range between 32.8 and 52.9 cents per pound. (Above estimates based on a parity price of 42 cents per pound.)

6. The minimum domestic allotment would be reduced to the smaller of 10 acres (instead of 15) or the farm acreage allotment.

7. A domestic consumption subsidy of 3 cents per pound.

8. A new export subsidy rate would be determined each time the Government accepted a bid for CCC cotton. Rejection of any bid based on competitive world prices as determined from the latest Liverpool, Bremen, or Osaka price quotations would have to be reported to Congress within 30 days together with the reasons for such rejection.

What would happen to the U.S. cotton industry if a bill such as that approved by the Senate committee is enacted into law? It seems to me we could look forward to:

1. A domestic farm price of about 28 to 30 cents per pound. A domestic mill price of about 25 to 27 cents per pound. An export price between 15 and 20 cents per pound.

2. A drastic decline in domestic mill consumption. The rate of decline would be limited only by the ability of the mills to convert to synthetic fibers and the available supply of such fibers. It is not unlikely that domestic consumption would decline by more than a million bales the first year.

3. The United States would continue to be a residual supplier of cotton in world markets. The "dumping" procedure established by the Senate's proposal would likely force world market prices down drastically, which in turn would force other cotton exporting nations to sell their export availability as rapidly as possible before the price declined further. We could not logically expect any increase in the level of U.S. cotton exports until we had forced other less developed countries out of the cotton business.

4. A continued rapid buildup in the U.S. cotton carryover. It is not unlikely the carryover would increase at a rate of 1.5 to 2 million bales per year.

5. In a relatively short time the Congress would be forced to drastically reduce the current minimum national acreage allotment of 16 million acres.

6. The New York Cotton Exchange would be forced to liquidate. What remains of the private cotton merchandising system would be curtailed and substantially the entire cotton crop would move through Government programs.

It now appears the bill as reported by the Senate Agriculture Committee will be debated on the floor of the U.S. Senate not later than Thursday, September 9. Undoubtedly there will be a strong effort made, by the administration, on the Senate floor to defeat Senator ELLENDER's cotton proposal. If you agree with the analysis outlined above, you should contact your Senators by phone, telegram, or letter and request them to vote against the cotton provisions of the Senate bill, and for the substitution of the basic principles set forth in H.R. 9811.

F. MARION RHODES,
President.

Mr. COTTON. Mr. President, let me say to the Senator from Georgia that his amendment and the forthright manner in which he is attacking the problem are both heartening and refreshing to those of us in the Senate who have been fighting this battle for many years.

Three or four years ago, together with the distinguished senior Senator from Rhode Island [Mr. PASTORE], I sponsored an amendment which was somewhat similar to the amendment offered by the Senator from Georgia.

I recall that at that time—and it was one of the first battles we had on the floor of the Senate on this point—many within and without the Senate held up their hands in holy horror, amazement, and surprise. Apparently, they were astounded that some of us should sponsor an amendment that carried a subsidy when many of us had consistently opposed a number of the subsidies in connection with the farm program.

I say to my friend the Senator from Georgia, whom I esteem so highly, that I am glad he did not in any way sidestep this issue.

So far as I am concerned, I could not care less whether this is called a subsidy. I am not at all impressed by all the pious arguments that have been raised to the effect that there is something unsound or shocking in this particular method of seeing to it that American manufacturers, and, even more important, American workers in textile plants have, at least in this respect, an even break with their foreign competition.

It would be amusing if it were not so serious. One of the most ridiculous aspects of all the many inconsistent policies that have been practiced by many of the administrations in the past—and I do not except the administration of my own party—has been the utterly absurd and suicidal policy of deliberately having the Government act as the custodian of the supply of cotton and furnish cotton at a lower price to foreign mills which are in competition with American industry and American textile mills trying to compete effectively and furnish jobs for American workers.

It is completely incomprehensible to me and always has been. If there is an ounce of commonsense and a sense of justice remaining in the Congress, I believe that the amendment offered by the distinguished Senator from Georgia will be agreed to.

I commend the Senator for facing up to this issue. I will go all the way with him. I predict that a majority of Senators are fairminded enough to do the same.

Mr. TALMADGE. Mr. President, I thank my distinguished friend the able Senator from New Hampshire for his contribution.

Mr. President, inasmuch as the distinguished senior Senator from Connecticut [Mr. DODD] is now waiting to make a speech, I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I thank the Senator.

I am in favor of the amendment offered by the Senator from Georgia and hope that his amendment will be agreed to.

Mr. MONTROYA. Mr. President, the cotton section of H.R. 9811 as reported by the Senate Agriculture Committee is of the gravest importance to New Mexico and to the other 17 major cotton-producing States of this country.

I rise today to urge the Senate to accept the judgment of the committee, which has rejected the cotton provisions of the so-called Cooley bill of the House in favor of an amendment prepared by the committee's distinguished chairman, the Senator from Louisiana [Mr. ELLENDER].

There are those who say that only a handful of Americans understand agricultural economics, only a thimbleful understand farm legislation, and no one understands the cotton provisions of farm legislation.

That may be true, Mr. President. We are dealing here with an exceedingly complex and difficult subject.

But a few statistics may help to clarify this problem.

Cotton is the second largest cash crop in New Mexico, and accounts for between a fourth and a fifth of all farm income in the State. In 1962, this amounted to nearly \$56 million.

Nationally, cotton is a \$2,576 million source of income to farmers. The National Cotton Council estimates that 9,256,000 Americans are directly dependent on cotton for their livelihood, and another 11 million are in industries which derive much of their business from cotton.

Investments in the cotton industry exceed \$24 billion.

I cite these statistics to show that cotton still occupies a key position in American agriculture. But in recent years, foreign competition and synthetic fibers have combined to weaken this great industry to an alarming degree.

It is my considered judgment that H.R. 9811 as passed by the House of Representatives will only enhance and reinforce cotton's present problems.

The essential feature of the House-passed bill is its plan to solve the problem of cotton surpluses by forcing drastic reductions in production, instead of providing for what is really needed—drastic increases in exports.

For several years, American cotton exports have been declining, and there has been a consequent increase in the stocks being held by the Commodity Credit Corporation.

The House bill would reduce these surpluses by cutting production as much as 35 percent.

If I may use an old farmer's expression, Mr. President, this solution is the equivalent of throwing out the baby along with the bathwater.

A 35-percent reduction in cotton production would bring economic disaster to every cotton-producing region in this country. For example, it would mean that one cottonseed oil mill in three would close, one gin in three would close, one tractor in three could not be sold.

Labor surplus problems, already serious in many cotton areas, would be made worse.

The alternative, as outlined in the bill reported out by the Committee on Agriculture of the Senate, will have just the opposite effect.

It will solve the problem of surpluses by increasing the consumption of American cotton, both domestically and through exports, with the emphasis on the latter.

At present, our exports have declined to about 4 million bales per year. Under the program I am advocating, this figure should rise to at least 6 million, and there are some in the trade who believe we could achieve 7 million bales a year in exports.

This would be accomplished in a comparatively simple manner. In brief, the export price would be set by competitive bidding at the time of offer, instead of the present practice of the Commodity Credit Corporation announcing export prices for a year in advance.

Effect of the present policy is to alert foreign competitors in advance to the price they must beat, with the consequence that the American share of the export market is suffering.

In a very real sense, our cotton export losses have been our competitors' gains. I have a table which illustrates the problem.

I ask unanimous consent to have the table printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—Comparison, U.S. and foreign cotton exports

Season	U.S. exports	Exports of foreign producers	Percent U.S. of total world exports
1956.....	7,600,000	8,204,000	48
1957.....	5,717,000	8,370,000	41
1958.....	2,787,000	10,700,000	21
1959.....	7,182,000	10,124,000	42
1960.....	6,632,000	10,195,000	39
1961.....	4,913,000	10,525,000	32
1962.....	3,351,000	12,481,000	21
1963.....	5,660,000	12,257,000	32
1964.....	4,060,000	(1)	---

¹ Not available.

Mr. MONTROYA. Mr. President, the 5-year average of our exports from 1956 to 1960 was 5,988,000 bales. From 1961 to 1964, this average figure declined to 4,481,000.

That is a difference of 1,507,000 bales, Mr. President, and the trend is steadily downward. In the 1964 season, which just ended July 31, 1965, the total was 4,060,000, which is down 1,600,000 from the 1963 season.

Had we maintained our exports at the 1956-60 rate, our supply of upland cotton today would be down to a manageable 6- or 7-million-bale level. This would closely approximate the national security reserve recommendations for cotton—6 million bales—included in the recently published report of the National Agricultural Advisory Commission.

According to the National Cotton

Council, our share of an expanding world market is approximately 6½ to 7 million bales. This goal can and must be achieved.

Actually, world trade in cotton is continuing to grow. In the marketing year 1956, foreign free world consumption was 20.9 million bales. By the marketing year 1964, just ended, foreign free world consumption had increased to 24.9, an increase of 4 million bales.

During this same period, U.S. exports made a sharp decline from 7.5 million bales in 1956 to approximately 4 million bales in the marketing year 1964.

The practice of the Department of Agriculture has been to estimate foreign export supply and demand for the ensuing season, and then, on the basis of those estimates, to decree a base world price for cotton. Attainment of U.S. export policy apparently is considered accomplished, regardless of the level of U.S. exports, if United States cotton is subsequently made available at that price base. The folly of current Department policy is the establishment of a rigid price base months in advance to operate in a price structure that varies from season to season or from quarter to quarter.

This has permitted world producers to undercut American cotton, and has resulted in a steadily increasing foreign production.

Title VI, section 604, of H.R. 9811 as reported out by the Senate Agriculture Committee—the cotton section—would eliminate this favored position now enjoyed by our foreign rivals at the expense of our American farmers.

World prices for cotton are determined from offerings of more than 40 producing countries—shipping to more than 50 importing nations. There are many reasons why export prices in some world markets vary widely from pre-season estimates. Common causes of those price fluctuations include, first, unforeseen changes in production or demand; second, currency revaluation; and third, changes in policies of governments regarding raw cotton and textile import limitations.

Cotton farmers and many Members of Congress have recommended time and again that the Commodity Credit Corporation offer its stocks at regular intervals at competitive prices. Specifically, sales should be limited in quantity but not in price. The quantity to be sold quarterly should be determined by supply-demand studies.

Sales prices should be adjusted upward or downward in such reliable markets as Bremen, Germany, and Liverpool, England. Relating the sales price levels to fluctuations in major world markets would provide an approach that would expand markets for U.S. cotton by removing the umbrella that we now hold over the world price structure.

H.R. 9811, as reported by the Senate Agriculture Committee, creates this realistic market system, and provides that any bid based on competitive world prices which is rejected must be reported to Congress by the Secretary of Agriculture.

It is essential that there be a positive approach related to major world markets rather than trying to guess a year in advance what the world price will be and maintaining a fixed position throughout the entire marketing year.

While providing for lower prices for U.S. cotton in export markets, the House bill does nothing of a basic nature to correct the "umbrella effect" of our export pricing policy. Our prices, while lower, will still be announced a year in advance and foreign producers will be in a position to shoot under our prices and obtain sales throughout the world.

On the other hand, H.R. 9811 as reported by the Senate Agriculture Com-

mittee provides for an aggressive sales policy based on competitive bidding in the world market. We would no longer give our competitors the advantage of an advance announcement of cotton prices, as the Commodity Credit Corporation does now.

The next table shows how our export "umbrella" has affected U.S. and foreign cotton.

I ask unanimous consent to have this table printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—Basic data on U.S. and foreign free world cotton

Marketing year beginning Aug. 1—	Foreign free world production	Foreign free world consumption	Foreign free world exports	U.S. exports	U.S. cotton acreage	Foreign free world acreage
	<i>Million bales</i>	<i>Million bales</i>	<i>Million bales</i>	<i>Million bales</i>	<i>Million acres</i>	<i>Million acres</i>
1956.....	15.9	20.9	6.7	7,540	15.6	45.9
1957.....	16.9	20.4	6.9	5,707	13.5	46.0
1958.....	17.5	20.5	9.0	2,766	11.8	46.8
1959.....	16.6	22.2	8.4	7,178	15.1	45.0
1960.....	19.0	23.5	8.5	6,625	15.2	46.0
1961.....	19.5	23.6	8.9	4,908	15.6	48.3
1962.....	21.9	23.2	10.9	3,348	15.5	48.8
1963.....	21.9	24.3	10.5	5,661	14.1	49.7
1964.....	22.4	24.9	10.8	4,000	14.0	49.8

¹ Estimated.

Mr. MONTROYA. Mr. President, foreign free world production has been aided and encouraged by various technical assistance and direct aid programs provided by the United States and by our agricultural policies.

During the period 1956-64, cotton production in the free foreign world increased from 15.9 million bales to 22.4 million bales. Acres devoted to cotton in the foreign free world increased from 45.9 million acres in 1956 to 49.8 million acres in 1964.

In the United States, cotton acreage has declined by more than 1.5 million acres during this period, while production has remained remarkably stable.

Foreign free world consumption has increased from 20.9 million bales in 1956 to 24.9 million bales in 1964, an increase of 4 million bales. U.S. exports have declined from 7.5 million bales in 1956 to 4 million bales for the marketing year ending July 31, 1965.

During this period, the carryover of U.S. cotton increased from 11.2 million bales to 13.3 million bales. It should be noted, however, that the carryover was worked down to 7 million bales in 1960 with the end of the A and B program—these letters refer to the support level at two different rates at the option of the producer—but has built up over the past 4 years.

What has actually taken place during this period is that the United States has more and more assumed the position of residual supplier in world markets. It appears that this country has been a willing partner in this arrangement and has not only carried world stocks but has provided price stability for the entire world.

While this policy has worked to the advantage of the free foreign world, it has worked to the great disadvantage of the U.S. producer who has been called

upon repeatedly to make big supply adjustments. During the Korean war, export controls and price ceilings were clamped on U.S. cotton. Foreign cotton prices soared while our cotton was held off foreign markets because of its need as a strategic defense item.

For the next 2 years, cotton farmers were urged to produce 16 million bales for national defense. Then came acreage controls again in 1954, and cotton acreage was reduced from 26 million acres in 1953 to 21,379,000 acres in 1954. The current allotment is 16.2 million acres and represents the minimum acreage necessary to maintain any degree of efficiency in cotton farms.

The cotton section of H.R. 9811 as passed by the House is aimed at again shrinking cotton acreage in this country, with a target of a 35-percent reduction.

If history repeats itself, foreign production will move up to new high levels and the efforts of U.S. producers to adjust supplies will be wasted. Not only that, but a large segment of a very important industry will have been sacrificed needlessly.

I urge the Senate to consider instead the alternative that is offered by the cotton section of the Senate Agriculture Committee, which establishes the realistic and practical conditions which are required for an expanded export market.

I ask unanimous consent to insert at the end of my remarks a table containing a summary.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONTROYA. Mr. President, I do not want to leave the impression that my comments are in any way critical of my good, close, personal friend, Orville Freeman, who has done an admirable job pursuing our export sales in spite of the crippling limitations placed upon him by previous cotton legislation.

I believe that adoption of this amendment will free the Secretary of Agriculture from the hobbles which now bind him, and will allow him to achieve the goal that all of us who are concerned with the welfare and economic health of American cotton have in common.

EXHIBIT 1

TABLE 3.—Summary of data on cotton

	Allotment	U.S. production	Consumption	Exports	Ending carry-over	CCC ending stocks	Loans	Acquired	Spot market average	Export subsidy or differential	Loan rate, middling 1 inch	Foreign free world			Cotton acreage	
												Production	Consumption	Exports	United States	Foreign free world
	<i>Thousand acres</i>	<i>Million bales</i>	<i>Thousand bales</i>	<i>Thousand bales</i>	<i>Thousand bales</i>		<i>Thousand bales</i>	<i>Thousands</i>	<i>Cents</i>		<i>Cents</i>	<i>Million bales</i>	<i>Million bales</i>	<i>Million bales</i>	<i>Million acres</i>	<i>Million acres</i>
1954.....	21,379	13.5	8,730	3,445	11,028	8.1	2,308	1,648	35.0		34.03	15.9	18.7	7.2	19.2	43.5
1955.....	18,113	14.6	9,085	2,194	14,399	9.8	7,257	6,038	35.4		34.55	16.4	19.5	9.4	16.9	47.2
1956.....	17,391	12.9	8,496	7,540	11,269	5.2	4,830	3,677	33.5	7.2	32.75	15.9	20.9	6.7	² 15.6	45.9
1957.....	17,585	10.8	7,900	5,707	8,615	2.9	3,657	2,464	34.4	6.2	32.31	16.9	20.4	6.9	² 13.5	46.0
1958.....	17,554	11.3	8,594	2,766	8,733	7.0	6,832	6,039	34.5	6.5	35.08	17.5	20.5	9.0	² 11.8	46.8
1959.....	17,346	14.4	8,879	7,178	7,404	5.0	335	(A & B) 26	31.9	8.0	(A) 34.10 (B) 28.40 (A) 32.42 (B) 26.63	16.6	22.2	8.4	15.1	45.0
1960.....	17,553	14.3	8,131	6,625	7,090	1.5	540	(A & B) 1	31.0	6.0		19.0	23.5	8.5	15.2	46.0
1961.....	18,458	14.3	8,783	4,908	7,741	4.7	4,850	3,247	33.7	8.5	33.04	19.5	23.6	8.9	15.6	48.3
1962.....	18,101	14.7	8,258	3,348	11,016	8.0	6,853	4,744	33.5	8.5	32.47	21.9	23.2	10.9	15.5	48.8
1963.....	16,250	15.0	8,468	5,661	12,131	10.2	8,088	6,029	33.2	8.5	32.47	21.9	24.3	10.5	14.1	49.7
1964.....	16,200	15.0	³ 9,400	³ 4,500	13,350	10.1	7,300	³ 5,200	³ 30.8	6.5	30.00	22.4	24.9	10.8	14.0	49.8
1965.....	16,200										29.00					

¹ Export differential on 1,000,000 bales averaged 7.5 cents per pound. There was no export differential on 1,200,000 bales.

² Acreage reserve program was in effect in United States in 1956 to 1958.

³ Estimated.

Mr. KENNEDY of Massachusetts. Mr. President, I rise in support of the proposed substitute title VI to H.R. 9811 as reported by the Committee on Agriculture and Forestry. This substitute would extend the current one-price cotton system for an additional 4 years. Under the one-price cotton system, our domestic textile manufacturers purchase cotton, their most important raw material, at the same price at which it is sold to textile manufacturers in foreign countries.

Unless the one-price system is maintained and extended, severe damage will be done to this Nation's textile industry, an industry which plays a vital role in our national economy.

Our textile industry is one of this Nation's largest employers. It has been classified as "essential to our national security." Unemployment within the textile industry has often struck hardest at those communities suffering from depressed conditions. And the inability of domestic manufacturers to buy their raw materials at competitive prices was one of the main causes of the difficulties encountered by our domestic cotton textile industry in the last decade. For this reason, when President Kennedy instituted his seven-point program to meet the wide range of problems faced by the textile industry, he placed the highest priority upon the institution of a one-price cotton system.

That objective was achieved by the one-price cotton legislation passed last year. Although this legislation, making cotton available to domestic mills at competitive prices, has been in effect for only slightly over 1 year, the benefits of this approach to the industry and to the Nation have already been strikingly demonstrated.

One-price cotton has stimulated employment. In the past year 28,000 jobs have been added to the textile industry—bringing the industry to the highest level of weekly work hours in its history.

It has helped increase by 600,000 bales the consumption of cotton by American textile mills.

The one-price cotton legislation has improved the wage structure for textile workers by contributing to conditions under which the textile industry in general has been able to raise wages twice since its enactment.

It has greatly stimulated capital investment by the textile industry in plant and equipment. Expenditures in 1965 will exceed \$1 billion—almost \$400 million more than the average for the previous 5 years and the highest in history.

And the system of one-price cotton has helped bring the cotton industry into a more competitive position with manmade fibers and halt the decline in per capita cotton consumption.

Yet strangely enough, despite the demonstrated success of the one-price system, the cotton provisions approved by the committee would eliminate one-price cotton and reinstitute the discredited system by which one subsidy rate would be applied to domestic consumption and a higher rate applied to exports.

The National Cotton Council says of the committee bill that "it would turn

back the clock to a system which has failed and which would destroy the American raw cotton industry." The New York Cotton Exchange points out that foreign mills would be subsidized by anywhere from 5 to 12 cents a pound or as much as 40 percent lower than the American price, and that the selling procedure for export would amount to "dumping." Textile manufacturers have characterized the committee proposal as "tragic."

The necessarily disastrous effect of domestic industry of this inequitable, unrealistic, and impractical approach to cotton pricing is now recorded history.

Under the two-price system the foreign textile manufacturer had an immediate cost advantage over an American mill in addition to the many other cost advantages he might enjoy as a result of manufacturing outside the United States.

As a result, during the period that the two-price cotton system was in effect, imports of cotton textiles quadrupled while our domestic industry declined. And in many cases the high cost of cotton forced the American mills to shift to manmade fibers and other competing fibers, when, if the price had been lower, good quality cotton would have been preferred.

As President Johnson observed:

The needs of neither the cotton-grower, the cotton-handler, the cotton textile mill, nor the consumer are being satisfied (by a two-price cotton system).

But if the cotton provisions approved by the Senate committee remain in this bill, these undesirable effects of a two-price system will be repeated.

We cannot allow this to happen. Nor can we permit putting the U.S. Government once again in the position of having to serve as "pawnbroker" in the cotton market.

Under the present provisions, the U.S. Government will become in effect the biggest buyer and seller of cotton. In my view, such a result is not in the best interests of our country. It may be quite proper for the Government to be a referee, a mediator, and to set guidelines in contributing to stability in the industry. But it is wholly inappropriate for the Government to be the major cotton buyer, warehouseman, domestic salesman, and exporter. Yet the present provisions would encourage the movement of cotton not into trade channels but into the ownership of the Commodity Credit Corporation and, I might add, at a cost in excess of \$1 billion more than the sensible one-price cotton system would cost if continued.

The Talmadge substitute, however, would provide the same basic cotton program included in H.R. 9811 as passed by the House. It would lower cotton price supports to about world levels, and the income loss to growers would be made up through direct payments. This program would allow cotton to move more freely and competitively through the normal channels of trade.

I do not claim to be an expert on the mechanisms required for effective farm programs. I am certain, however, that the national interest requires that farm programs be directed toward the goals

of a reasonable balance between commodity supply and demand, maintenance of a sound economy, a price structure that encourages maximum consumption at home and abroad and a minimum of Government controls and fair income to the producer.

A basic step toward the achievement of these objectives in this area is the construction of a farm program around the one-price cotton principle.

The House has passed H.R. 9811 with cotton provisions which embody such a one-price principle.

We should reject the Senate provisions which reflect a mechanism which did not work and which Congress only last year rejected.

We should replace these provisions with the substitute offered by the distinguished junior Senator from Georgia and continue the wise and proven policy of one-price cotton.

PROPOSED SALE OF WHEAT TO THE SOVIET UNION AND THE RECORD OF CONCILIATIONISM

Mr. DODD. Mr. President, I have been profoundly disturbed by recent items in the press reporting major sales of grain by Canada and our other allies to the Soviet Union and Red China, and also reporting that we ourselves are getting ready to sell wheat to the Soviet Union and that we are even prepared to drop the restriction that 50 percent of this wheat move in American bottoms.

I am also disturbed by reports which have appeared in the press that some of our Senators from the Western grain States have let it be known that they will not support the repeal of section 14b of the Taft-Hartley Act unless the union movement abandons its insistence that 50 percent of the wheat moved to Communist countries be shipped in American bottoms. It is difficult to describe this operation by any other word than "blackmail."

There is apparently no end to the artifices of those who favor the unconditional sale of wheat to the Soviet Union. Thus the Senate Agriculture Committee last Thursday voted out an agriculture bill which most of us would strongly support, but amended in a manner which would make it necessary for me to vote against the bill if the amendment ever carried. This amendment, which was introduced by the junior Senator from Minnesota, would by law remove the shipping restriction on any commercial sale of farm products.

If I may speak bluntly, I see absolutely no difference between the attitude which some of our grain growers and grain dealers and grain politicians are now taking on the question of wheat sales to the Communist world, and the narrow profit-taking-and-the-future-betrayed attitude of those who in the 1930's insisted that it was in the national interest to sell scrap metal to Japan.

In time of war it has always been taken for granted that each side tries to make things as difficult as possible for the opposing side by denying them access to food and raw materials and

other imports necessary for the prosecution of the war.

The methods used will vary from situation to situation, but they include submarine warfare, blockades, preemptive buying, and pressure on neutrals not to sell to the enemy the commodities he most requires.

If there had been a formal declaration of war between ourselves and the Communist world, I do not think that anyone in his right mind would recommend that the free world sell massive quantities of wheat to the Soviet Union and to Red China, to help them overcome their food shortages.

Our difficulty in assessing the matter of East-West trade springs from the fact that we are involved in a twilight situation in which we have neither peace nor all-out war.

American boys are fighting and dying in Vietnam, and we are told that the security of all southeast Asia and ultimately our own security are involved in this limited but vicious war.

American boys have also died in recent months in attempting to prevent a Communist takeover in the Dominican Republic, and more than 10,000 of them are still on duty there in an effort to maintain an uneasy truce.

Rumblings in other Latin American countries suggest the possibility of more Cubas and more Dominican Republics in the very near future.

But despite the Soviet Union's open support of the Vietcong insurgency and of Communist subversion in Latin America, the free nations not only continue to do business as usual with the Soviet Union and the Communist bloc countries, but they appear to be almost falling over themselves in their eagerness to export both machinery and agricultural produce to the Communist bloc—and this with increasingly more generous credit terms.

When the time comes to hang the capitalist class—

Lenin is once reported to have said—they will compete with each other to sell us the rope.

The truth of this dictum was never more literally or more tragically apparent than it is today.

In the field of industrial equipment, the free world sales to the Communist bloc in recent years include entire chemical processing plants, oil refineries, textile plants, papermills, synthetic rubber plants, and so on. And it has not just been a matter of selling equipment to the Communists, because these sales have generally involved turnkey operations, in which we turn over to the Communists a fully operating plant, including technology and training of management and labor.

In the field of grain exports, the free world over the period 1960 to 1964 exported to the Soviet Union, Red China, and the other Communist countries, a total of more than 40 million metric tons.

I think it important to underscore the fact that much of this went to countries which, before they were taken over by the Communists, were substantial ex-

porters of food grains whose agricultural production helped to compensate for food deficits in other areas of the world.

I am convinced that without the 40 million metric tons of grain which they obtained from the free world over the 5-year period 1960-64, the Soviet Union and Red China and Castro Cuba would today be in such dire domestic straits that they would have to cut back sharply on their subversive activities in other countries and, especially on their encouragement and support of so-called wars of national liberation.

I am convinced, too, that if the shoe were on the other foot, and if the Communist world had had our food surpluses while we had had their shortages, they would have utilized this advantage mercilessly to complete the burial of the free world.

And I am also convinced that, had the free world insisted, beginning in 1960, that the Communists would call off their subversive activities internationally as a condition of our grain sales to them, the world situation would be vastly different today.

We ourselves, have in recent years, gone into the business of feeding the Communist world on a major scale, and we are, therefore, not in a very good position to point our finger at other Western nations or to urge a more considered approach to the entire question of food exports to Communist countries.

But a few facts about our good neighbor to the north will help to illustrate the terrible disarray that characterizes our own economic relations and those of other free countries with the Communist bloc.

For the 1964-65 crop year, Canada exported a total of 395 million bushels of wheat and flour, of which 150 million bushels went to the Communist countries.

For the 1965-66 crop year, which began on August 1, it is estimated that total exports will run approximately 600 million bushels, of which the Communists will get some 350 million bushels, or roughly 10 million metric tons.

Moreover, these Canadian sales are made without political restrictions of any kind.

Not only has Canada become the chief purveyor of grain to Red China, but it is also a matter of public record that much of the Canadian flour purchased by the Soviet Union is delivered to Castro Cuba.

While the U.S. Government has, in recent years, manifested a willingness to support a certain relaxation of trade with Communist countries, we have, nevertheless, continued to oppose long-term credits because of the conviction that such credits constitute a form of aid.

However, the process of relaxation has an inexorable logic of its own; and, having given our blessing to the relaxation of trade restrictions, we now find ourselves powerless to prevent the relaxation of credit terms.

Several years ago no western nation granted more than 5 years' credit on sales to Communist countries, and even such a credit was a rarity.

But today 10- and 15-year credits are

commonplace, and there has even been some talk of 20- and 25-year credits. In recent months, our own Export-Import Bank has approved a 7½-year credit to Rumania for the purchase of an oil refinery.

There should be nothing surprising about this development, because it is a maxim of economics that credit inevitably follows trade.

THE FALLACY THAT TRADE PRODUCES INTERNAL RELAXATION

Three arguments have been advanced in favor of continuing to sell grain and industrial equipment to the Communist bloc.

Argument No. 1 is that by so doing we are helping to "build bridges," and that this building of bridges will ultimately produce a more relaxed internal regime.

I am all in favor of doing everything in our power to encourage tendencies to decentralization and relaxation within the Communist countries, because I believe that such tendencies place certain restraints on the ability of Communist regimes to engage in aggression and subversion abroad.

But I consider it a complete inversion of the experience of history to argue that we encourage such relaxation by helping the Communist governments to overcome the food crises which are the inevitable product of Communist agricultural policies.

The experience of political history has been that the Communist regimes tend to tighten their political controls when their food problem is not acute and that they tend to relax controls—as they did in the Soviet Union in the early twenties under the so-called new economic policy, and as the Soviet government has again done in recent years on a more limited scale—only under the pressure of increasing food shortages.

Our massive sales of wheat to the Soviet Union and to the other Communist countries have—although I am certain we did not intend it this way—placed us in the position of political strikebreakers.

The peasants of the Soviet Union and of the satellite countries have engaged in a continuing sit-down strike, or to be more accurate, in a continuing slow-down strike directed against the hated collective farms, in the hope that their governments would thus be induced to make greater concessions to private production in the sphere of agriculture.

To the extent that we of the free world have taken the pressure off their governments, we have undermined the stubborn and heroic struggle of the peasant masses for relief from the blight of total, or near-total collectivization.

By this I do not mean to say that we should refuse under all circumstances to sell food to the Communist countries.

I have never said that. I do not say it now.

I simply want to make the point that the massive sale of food grains to them, by taking some of the pressure off the Communist government, serves to retard rather than encourage the process of relaxation in the sphere of agriculture, and, as a consequence, in the sphere of foreign policy.

ter of 1965, according to the Department of Commerce.

The principal destinations were the U.S.S.R., \$21.8 million; Hungary, \$4 million; Czechoslovakia, \$3.9 million; and East Germany, \$2.4 million.

Agricultural products accounted for \$22.7 million of this volume. Soybeans, valued at \$18.7 million, was the principal agricultural commodity. Of the soybeans licensed, \$14.4 million was destined for the U.S.S.R. The next largest commodity category licensed was miscellaneous industrial chemicals, valued at \$4.6 million, to the U.S.S.R.

In 1964, significant agricultural commodities exported to bloc countries included \$181 million in wheat; unmanufactured cotton, \$25.5 million; rice, \$10.4 million; and soybeans, \$8.3 million.

FOOD AND AGRICULTURAL ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. EASTLAND. Mr. President, the substitute proposal offered by the distinguished junior Senator from Georgia would provide for the repeal of the support loan concept of 65 to 90 percent of parity. That proposal has been in effect for 27 years.

We are entering a program, if this substitute is agreed to, which would undermine the entire farm price support program in this country for all other basic commodities. It would go further and destroy the cotton industry of the United States. There would be limitations based on payments. It is inherently wrong that a farmer should receive a large percentage of his income from the Treasury of the United States. No business should receive a substantial part of its income from the Treasury.

The new concept with respect to cotton, the compensatory payment, with a low world price loan of 21 cents a pound, which the substitute would provide for Middling inch cotton—let me specify with reference to the first year—would thereafter decline to 90 percent of the estimated average world price.

Mr. President, this would set in motion a downward spiral in world cotton prices with no brakes or no pullout mechanism. The growers' income, if there were no limitation, would be protected in the first year, and only in the first year. This is a 4-year program.

It would be rapidly undermined for the reason that it is geared to a forced decline in the world price, and a higher percentage of the farmers' income would be dependent each year upon Government appropriations.

Mr. President, in my judgment the thing that would destroy the whole program is found in the testimony of Mr. Godfrey before the Senate Committee on Agriculture and Forestry when he stated that if the world price should go down to 20 cents, to 19 cents, or to 18 cents, this would be compensated for by a check from the Treasury of the United States.

I do not have to tell the Senate that such a program would not work. We could not get those appropriations, and that would destroy the program. It would involve a tremendous cost to the Treasury of the United States.

The substitute proposal would permit producers to stay out of the program and plant and sell some 50-percent more than their allotted acreage production without penalty. Every added bale would compete with production by co-operating farmers, and with Government stocks. Government stocks now total more than 10 million bales.

Why should we make it mandatory for some growers to cut back and allow other growers to increase their production at a time when our accumulated stocks are approximately 14,200,000 bales?

The distinguished chairman of the House Committee on Agriculture stated that it was necessary to put open end planting in for the State of California in order to get a vote on the House Committee on Agriculture. He left the impression that he was personally opposed.

Mr. President, that would mean that, in my judgment, the cotton acreage would leave the Southeast and go westward, to California.

If the raw cotton industry is in such desperate straits, why is it that we permit growers to plant 150 percent of their allotment, which is provided for in this substitute?

The substitute fails to provide a positive type of export program for U.S. cotton. The 21-cents-a-pound loan for the first year, if it is administered as in the recent past, would enable sellers of cotton from other countries to offer their stocks at prices just below ours.

That has been true in the past. We have had a policy of letting the world know what our export price is, and therefore foreign countries have sold their cotton just under ours and have been able to market their product. As a result, the United States has been a residual supplier.

The 21-cents-a-pound loan for the first year is another umbrella over world production. We shall see further expansion in foreign countries as against the United States.

There is another thing that is unfair. As we have reduced acreage in this country, foreign countries have increased their acreage. We have asked the American cotton farmer to shoulder the load of acreage reduction, and we have followed the foolish path of reducing acreage in this country in an attempt to bring world stocks into line with world consumption. It has been a failure, because, as we reduce, foreign countries increase their production at our expense.

This substitute would hold an umbrella over that production.

The most important part of the bill is the amendment by the distinguished Senator from Louisiana, which requires exports to be sold at the world price. If we would export cotton, we must take it out of the hands of the State Department. The amendment offered by the Senator from Louisiana would do just that, because it would require them to

accept a bid at the prevailing market price, or else, if they refuse to report to Congress.

What could be simpler for our export program than for us to follow the market up, or follow the market down, and always follow the market? If we had done that, we would have exported much more cotton. We would have had our historic share. We would not be a residual supplier in the export market.

I believe the amendment of the distinguished Senator from Louisiana would correct the situation.

If we had had normal cotton exports from this country, we would not have a real cotton surplus today, in my judgment.

The substitute nullifies, though it retains the language, the national minimum cotton allotment of 16 million acres. It would establish, instead, a mandatory acreage reduction of 10 percent, plus such attractive incentives that farmers would be forced to make approximately a 35 percent decrease in production. This would cause a proportionate loss for the gins, warehouses, merchants, transporters, and cotton suppliers of all kinds. It would be equivalent to closing down every third business concern in the cotton industry.

There is no point in the American cotton grower bearing the acreage reduction of the whole world. We are doing this when we cut the acreage a third in this country, as is here provided, and as a farmer is induced to do by the payments provided. We shall merely cause an increase in production in Mexico, Central America, and the Asian and African Continents.

The substitute provides cotton to the domestic mills at 2 cents a pound less, beginning with the 1966 crop, than the 23½ cents a pound current base cost to the domestic user. This will represent another windfall of \$90 million for the raw cotton cost. How could it be considered other than a windfall, since the textile prices have not been reduced proportionately with the reduction in the price of raw cotton during the past 2 years?

I was present in the Agriculture Committee when the representatives of the textile industry appeared. They assured the committee that if Congress gave them one-price cotton, textile prices would be reduced in proportion.

But what happened? Textile prices have been increased and increased again, and the profits of the mills are at an alltime high level. Yet we are granting another subsidy of \$90 million.

Then when the world price of cotton slumps after the first of the year, when the support price will be 90 percent of the world market, there will be another tremendous subsidy to the mills.

I shall read from the testimony before the Agriculture Committee:

The CHAIRMAN (Mr. ELLENDER). Well, assuming that this relief for which you are asking is obtained, how much less would you sell your cotton cloth at?

Mr. RUFFIN—

At that time Mr. Ruffin was president of the American Textile Institute. He was appearing before the committee as

a witness for the institute, stating the position of the textile industry.

Mr. RUFFIN. I think it is very clear, based on Mr. Ehrman's testimony, that as cotton goes down—I understand, Mr. Ehrman, that it is probably the most remarkable direct correlation that economists and chartists have come into contact with, cotton goods follow the price of cotton down, I believe, more closely than any other commodity.

Mr. EHRMAN. I have never personally come across a series which shows such a high correlation.

The CHAIRMAN. That may be the answer to the question. But assuming that a subsidy would be paid on cotton, say, of 6 cents or \$30 a bale, if you were to get that beginning on July 1, let us say, how much change in price would there be in the same kind of cloth that you manufacture in June in contrast to the one you manufactured in July?

Mr. RUFFIN. Mr. Chairman—

The CHAIRMAN. It would be very little, wouldn't it?

Mr. RUFFIN. Sir.

The CHAIRMAN. It would be very little, wouldn't it? It couldn't affect the cost of a shirt or a dress or—

Mr. RUFFIN. Let me preface this by saying this. For instance, in one line of goods that we manufacture to a very big extent, merely the prospect of an end to two-price cotton has reduced the price of those goods 4 and 5 and 6 cents a yard.

The CHAIRMAN. And the prospect of maybe a law being enacted has restrained a lot of people from buying cotton, too.

Mr. RUFFIN. Yes, sir; to a terrific extent.

The CHAIRMAN. Yes, sir. I know that.

Mr. RUFFIN. Yes, sir.

The CHAIRMAN. So, it goes both ways.

Mr. RUFFIN. I think we can be very sure, based on many years of history, that as the cotton cost goes down you are going to see cotton goods prices go down in directly the same proportion.

The CHAIRMAN. And that would, of course, affect immediately the cost of the shirt?

Mr. RUFFIN. Yes, sir.

Bear in mind, Senator, that cotton, on the average makes up 55 percent of the cost of manufacturing the goods, and a high official of the Department of Commerce testified to a congressional committee not too long ago, an estimate that the consumer, the buyer of cotton goods, would save from \$600 to \$800 million a year by reason of doing away with two-price cotton.

Last year I led the fight in the Senate for one-price cotton, on the assurance of the mills that the saving would be passed on to the public. Now the cotton farmer has had it taken out of his hide. Cotton is down \$17.50 a bale, or over \$250 million a year based on last year's crop, with a similar reduction facing him this crop year.

All of the farmers' contribution went into effect at the domestic and export mill door. The mills received a bonanza payment based on cotton unopened in mill hands when the program went into effect, and have been able to buy their cotton at 6½ cents a pound less than the price previously paid.

Decreased mill outlays for raw cotton through reduced prices, whether brought about by payments into trade channels or directly to the mills, have lowered their cost of raw materials over \$800 million.

I grant that the mills shared their good fortune with textile laborers, by three wage increases amounting to 5 percent each. I grant that they increased

their investment in new plant and equipment by \$120 million, up to \$760 million, as evidenced by their own publications. This helped mill suppliers.

But what did it accomplish on their promise to farmers, to increase consumption and to help consumers through reduced prices?

The price at the back door of the mill for mill goods went up. The promise of a 1.1 million-bale increase in domestic consumption dwindled down to 600,000 bales, and most of the increase can be accounted for through inventory replacement, because the pipelines of goods had been depleted in the expectation of a price drop. The facts are that we did not consume any more cotton because of the one-price policy, but because the pipelines had been allowed to run empty. They were expecting a decrease in the price of cotton.

The mills paid increased wages, and increased their investment in plant out of their profits. But in addition, their earnings per share of stock increased from nearly 100 percent to more than 1,000 percent in a 2-year period. One of the larger mills increased its earnings per share from 30 cents in the first quarter of 1963 to 64 cents in the last quarter of 1964. Another increased its earnings from 17 cents a share in the first quarter of 1963 to 48 cents a share in the last quarter of 1964.

That is where the test is, Mr. President, in the earnings of the cotton mill owners.

Another mill, one of the largest, increased its earnings from 68 cents a share in the first quarter of 1963 to \$1.35 the last quarter of 1964. An outstanding example is a mill that increased its earnings from 7 cents a share in the first quarter of 1963 to 76 cents a share in the first quarter of 1965.

What are we doing? In the face of these large profits, we are reducing the price of cotton still further. The mills realize \$90 million additional savings in the price of their raw material the first year, and after that even more, as the price of cotton goes down below the world price level.

Mr. President, this is a bill which will destroy the cotton industry in the United States and the cotton farming industry in the United States as we have known it.

I do not single out these textile mill companies as unique examples and I prefer not to call them by name, but these results are contained in their own financial reports of their operations. To illustrate that they are not exceptions, the textile industry as a whole has fared extremely well. Textile industry profits before income taxes in the first quarter of 1963 amounted to \$146 million. This had increased to \$178 million in the first quarter of 1964 and had gone up to \$281 million in the last quarter of 1964.

Mr. President, I would be the last to suggest that the textile mills are not entitled to a profit. In fact, I would insist that the mills operate at a profit so that they would enjoy a healthy economic atmosphere in which to expand and meet the textile needs of this country. I am happy that they were able to provide needed wage increases to textile workers.

But, I would point out that during the period when textile profits were doubling and textile wages were increased by over 15 percent, that the farmer's price for raw cotton has declined by \$17.50 a bale, or over 15 percent.

The cotton farmer is in dire straits. Eighty-five percent of them have allotments of 15 acres or less and the gross production at the national average per acre under the proposed price in this substitute would provide a gross income less than the \$3,000 poverty level established under other law. This is without regard to the labor of the cotton farmer, a return on his investment in land and equipment, and the cost of fertilizer, insecticides, and chemicals needed in his production operation. How can we in this Congress justify the transfer of income from a segment of our economy that is essential to our public welfare in providing healthful nutrition and fiber to our civilian population and armed services, and that is essential to maintaining world peace, and that constitutes the base of our strength to meet the chaotic conditions existing in many areas of the world today? How can we further deprive these poor cotton farmers of income-producing opportunities and further reduce the prices of cotton to the textile mills in the face of their performance over recent months?

I have shown you the increased profits of individual textile mills and of the textile industry as a whole due to reduction in raw cotton prices that the mills assured us would be competitive with and regain markets for cotton. Let us look at what actually happened. From the table included in the testimony of then Under Secretary of Agriculture, Charles Murphy, before the House Agriculture Committee this year, we find these startling facts. The consumption of all textiles from 8,595,700,000 pounds in 1963 to 9,336,400,000 pounds in 1964 reveals an increase in textile production of 740,700,000 pounds. This was an increase of 3.2 pounds per capita. Not all of this increase was consumed by individuals, but a good part of it was cotton filling pipelines that had been emptied in the expectation of raw cotton price reduction.

How did cotton share in this domestic consumption increase? Cotton consumption increased by 195,800,000 pounds from 1963 to 1964, but its percent of the market continued to decline from 48.1 percent to 46.4 percent, or a further relative reduction in the total market of 1.7 percent.

To which fibers did the increase go? Rayon's proportion of the market decreased by one-half of 1 percent as against cotton's 1.7 percent. The non-cellulosic manmade fibers, with which cotton is not competitive in use, increased 470,800,000 pounds, and its share of the market increased by 2.9 percent.

Mr. President, the mills assured us last year that one price cotton would solve the problems of the cotton mills and the cotton producers. They promised that one price cotton would eliminate their need for import quotas against foreign-made textiles which have an impact on domestic consumption of raw

cotton. Again, let us look at what has happened. The Department of Agriculture lists the average price of cloth obtainable from a pound of cotton on 20 constructions for the calendar year 1963, when domestic mill prices were 8½ cents above our export price, at 60.52 cents and imports of manufactured cotton goods at the equivalent of 634,000 bales. We reduced the price of cotton to the mills when we passed the existing law last year in April. We did expect that cloth price would decline proportionately to the reduction in price per pound since cotton constitutes 55 percent of the cost in textiles as witnessed by mill representatives before the Senate committee. What actually happened according to the Department is that the average price of cloth from a pound of cotton went up from 6.52 cents to 61.65 cents and textile imports were the equivalent of 626,000 bales of cotton. The Department of Agriculture, basing its report on the January-May 1965, period, reports that cloth prices from a pound of cotton increased to 62.98 cents per pound and that imports of cotton manufactured goods during the first 5-month period of this calendar year are running at the rate of 700,000 bales.

Cotton mill prices are approximately 2½ cents per pound higher than they were previous to the price change and textile imports are running at a rate of 66,000 bales annually more than when cotton prices were high. I have not heard the mills scream about this increase. But, I can tell you that the cotton farmers of this country are not happy with our raw cotton exports dropping 1,600,000 bales and the foreign produced cotton coming back into our market and absorbing 66,000 additional bales of consumption through textiles.

I have heard the merits of one price cotton preached over and over. I have taken a look at what happens under one price cotton over the last 18 months. The substitute before us would continue one price cotton and reduce this price by an additional 1½ or 2½ cents per pound. What assurance do we now have that the mills will reverse their profit trends and fulfill commitments they have over a year been failing to carry out?

Where does this leave us? Because of the mills' failure to fulfill their commitment to increase consumption by over a million and a half bales, and because the Department of Agriculture permitted a decline of 1,600,000 bales in exports we find the carryover increased by about 2 million bales. The farmer has made his sacrifice in price, but the failure of his Government and his market has worsened his plight.

We now have facing us a proposal to require him involuntarily to further reduce his production, idle his land, and curtail the economy of his rural community.

Let us compare the provisions of the bill before us and the substitute now being offered. The provisions in the bill maintain the 16 million acre minimum allotment and would permit a farmer to plant his full allotment without penalty. The substitute would not take away the 16 million acre minimum, but would pen-

alize the cotton farmer by forcing him involuntarily to reduce his plantings below his allotted acreage by at least 15 percent in order to be eligible for price support and the Government payments involved.

Existing law preserves the parity concept and the minimum price support floor of 65 percent of parity on the production from the allotment established by law on the individual farm. Though the substitute leaves in the parity formula, it destroys the parity concept by reducing the price support 7¼ cents below the price support minimum of 65 percent, and for the first time makes the farmer dependent upon a direct payment from the Federal Government on a portion of his production and requires that he involuntarily reduce his acreage below his allotment in order to be eligible for either price supports or payments.

The committee bill provides a plan whereby the farmer may voluntarily reduce his production and receive a rental payment from the Government to maintain his net income. The substitute proposal would require an involuntary reduction that would mean eventually further reduction in the national domestic allotment and finally permit production for domestic consumption only.

The committee bill preserves the national allotment of 16 million acres and the farmer's right to plant within it, or to reduce his plantings to domestic allotment levels voluntarily and receive a payment therefor. The substitute bill effectively destroys the national allotment concept by both the involuntary reduction of 15 percent that I have already discussed, and providing a new open-end planting for those who, because of advantageous conditions, can grow a quality of cotton to compete in world markets. I cannot conceive that this Congress would destroy an industry that has contributed so much to the development of this Nation by providing a large portion of the foreign exchange necessary to it in world trade channels through nearly two centuries just in order to give a selected few in an isolated area of the country the privilege of open-end planting.

The committee bill preserves the status quo of allotments to land. This provision has served the cotton industry well since the inception of acreage controls. The substitute offered would destroy this concept by permitting the lease or sale of allotments by farmers to other farmers and even to the Federal Government. There are limitations imposed on these provisions, but they are simply to butter the bread in an effort to destroy this time proven concept established by previous Congresses.

The committee bill would provide mills with cotton at slightly increased prices. It would raise the present mill price by less than 2 cents per pound and would still provide raw cotton to mills more than 5 cents per pound cheaper than they did obtain it 2 years ago.

The committee bill would guarantee the farmer around 28 cents per pound for Middling inch cotton based on current parity price. This is still only 65 percent of the parity price.

The substitute bill would reduce this support price by 7 cents per pound to 21 cents for the crop year 1966, and then would lower the price support to 90 percent of the estimated world price, which would certainly further recede under the pressure of our substantial supplies. I have a letter from Under Secretary Murphy estimating that as U.S. cotton achieved 7 million bales next year under a program of this kind, that the world price level would decline to 16 or 17 cents. Is it our purpose to destroy the American cotton farmer? Is it our purpose based on mill performance since April of 1964 to give them an additional 2½ cents price reduction for 1966 by further lowering the support price? Is it our purpose to continue to lower our raw cotton prices by further reductions in the price support level to follow world markets down to 16 or 17 cents in order to maintain their production base?

Mr. President, following the passage of S. 203 of the Agricultural Act of 1956, U.S. cotton exports rose to over 7 million bales from 2,800,000 the previous year. A part of this was due to filling the pipelines in foreign countries that were expecting our export price adjustment. It was due primarily, however, to the Congress establishing the price for that year in the legislation passed. In the following years we exported an average of 5,600,000 bales. After this our export prices were announced in advance and were held at levels above world prices. Our exports declined to slightly over 4 million bales average over the last 5 years and this difference in annual exports accounts for all of the surpluses in Government stocks and in excess carryover. The committee bill would again set the price at world levels and would require the Secretary of Agriculture not to establish an export price floor in advance of the marketing year, but would direct him to accept bids that were equivalent to the prices on the largest world cotton markets. This would again regain our share of exports which should be in excess of 6 million bales annually. The substitute bill completely ignores the export problem which is the source of the cotton farmer's trouble and the cotton industry's plight.

Mr. President, the substitute provision before us would effectively destroy the cotton-producing segment of the cotton industry by curtailing it permanently to Government-controlled production to fill our domestic consumption requirements. To arbitrarily force the farmers to involuntarily reduce his production over a 4-year period would mean that he would have to sacrifice existing equipment in a glutted secondhand market. He would have to move labor off of his farm because he couldn't provide employment. Farm labor dwellings would deteriorate at a faster rate because they are empty and once the farm laborer has moved to our cities and been absorbed in our industrial plant, or for 4 years been furnished a livelihood through welfare programs, he would not return to the farm when the opportunity for increased production might, if ever, reoccur.

Farm implement dealers would close their businesses and it is doubtful that

they would reopen. Land values would decline in cotton-producing areas and fail to recover after a 4-year period. Gins, which have been purchased on credit, would have to be repossessed because the volume of business would be too small to meet their credit commitments and their operating costs. The operating costs would go up and these would have to be passed on to the farmer from those gins that survived. Compresses would empty and employment drop and storage costs would have to increase on the small volume of cotton handled.

Four years of the farmer being isolated and bearing the entire brunt of Federal costs would curtail Government expenditures and assure that the farmer would never again obtain the support of his Government in reaching the export markets of the world after 4 years of producing for the domestic consumption only and export markets being supplied from dwindling Government stocks.

Mr. President, the adoption of the substitute being offered on the floor at this time will insure the destruction of a vital industry on which millions of people are dependent for employment and on which the economies of some 16 States depend for a major part of their economic activities.

Mr. President, I cannot believe that this Congress will destroy the cotton industry by accepting the substitute offered here in lieu of the sound provisions provided in the committee bill.

Mr. STENNIS. Mr. President, I commend my colleague from Mississippi on his fine exposition of one of the most important bills to come before the Senate this year. He is unusually well qualified to speak on the subject. He has given the Senate a complete exposition of the economic aspects of the bill as they apply to cotton.

I heartily agree with him. I also wish to state for emphasis the effect in our State of the reduced acreage, which has already taken place. I have gathered some figures, commencing in 1950, which was the year when the Korean War started. In that year the allotment in Mississippi was 2,295,545 acres. In 1964 it was 1,545,958 acres. That was a reduction of one-third. Reductions had already been made before 1950. But even for this modern period of the last 14 years a reduction of one-third has been made, and that affects the production of one-third of our economy.

That type of loss is like closing one out of every three machines in a factory, or taking out one of every three factories in a city. We have been cut to the bone. We have been bled white already. These are the sacrifices that we have made in this program.

Mr. EASTLAND. My colleague realizes, certainly, that when we lose this additional acreage, it will never come back; that it has gone to Mexico, has gone to Central America, and has gone to California. The one who will suffer will be the small farmer.

Mr. STENNIS. Yes. A great many of the small farmers have already been liquidated. They have been put out of

business. It reduces the economy of a community to follow this practice. It takes the ginner out of operation. It takes the fertilizer dealer out of business. It takes the farm machinery seller out of business. It destroys the economy of small communities. We know by experience, in driving through our State, in county after county, that that is the way it affects our economy. We have gone further than we should have been required to go or asked to go. We have gone as far as we can go.

This is a life-and-death matter, particularly for the little producers in areas of our State.

Mr. EASTLAND. The cotton industry has a tremendous surplus. If it is in these dire straits, as it is claimed, why permit open-end planting of 150 percent of an allotment?

Mr. STENNIS. That is a refutation of what purports to be the theory of the bill. Although reductions are being made, the bill states, in effect, "Provided, however, that without price supports a producer can produce an unlimited amount."

That principle will strangle us and destroy our economy in our area of the country.

Mr. EASTLAND. The extra cotton grown on this extra acreage by a few big California growers will compete directly with all the cotton grown in the rest of the belt and, furthermore, it will reduce the value of the stocks of the Commodity Credit Corporation.

Mr. STENNIS. Oh, yes.

Mr. EASTLAND. It will hurt the Government.

Mr. STENNIS. That is another aspect of it. We have gone as far as we can go to survive. Many of our producers have not survived at all.

Mr. President, I also commend the Senator from Louisiana [Mr. ELLENDER] on his amendment, and on having worked this matter out, not only this year, but over the years, as chairman of his committee.

Mr. RUSSELL of South Carolina. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RUSSELL of South Carolina. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ISSUANCE OF TRADE CREDITS TO NATIONAL CENTRAL BANKS

Mr. HARTKE. Mr. President, Nicholas Davenport, financial columnist for the London Spectator, is among the most respected and informed analysts of monetary and economic developments at work in the world today. His column, which appears in the weekly magazine edited by the Conservative Party's spokesman on economic affairs, Ian McLoed, speaks with the prestige and authority of the city of London. I am, therefore, both honored and proud to have merited Mr. Davenport's praise, to-

gether with that of the distinguished senior Senator from Minnesota [Mr. McCARTHY] and my able friend and adviser, Mr. Eliot Janeway, of New York. In his column of September 3, Mr. Davenport described a proposal which my distinguished colleague from Minnesota, Mr. Janeway, and I formulated and which is now embodied in Senate Resolution 142. This proposal would head off the deflationary forces at work in the world by empowering the International Monetary Fund to issue a limited volume of trade credits to national central banks.

Incidentally, this same proposal is, in general terms, the one recommended by Mr. Roosa.

Mr. Davenport continued:

These American initiatives in the monetary field are important because they explode the idea that Washington is a reactionary banking center issuing harsh deflationary edicts against Britain and the inflationary world.

As I have stated repeatedly, America can never help itself by hurting Great Britain. The purpose of our international economic policy under President Johnson will, I am confident, continue to be the same as the purpose of our Government's domestic economic policy. Balanced economic growth, continually rising income, employment and living standards, and ever-increasing trade and commerce—these goals constitute our purpose. I am proud, indeed, to have been among those responsible for making clear to all the world that the American Government under the Johnson administration stands for positive policies of economic expansion.

I ask unanimous consent that the column by Nicholas Davenport be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. KENNEDY of New York in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARTKE. Mr. President, the significance of the British realization that America opposes deflation and unemployment as economic solutions is critical at this point in time. For Britain is now caught between the proven success of the Johnson economic philosophy and the proven failure of Gen. Charles de Gaulle's deflationary approach. As Andrew Mulligan, writing in the London Observer of September 5, has revealed, France is now in a serious and deepening recession, marked by industrial stagnation and significant unemployment. For the first time since the rise of Adolf Hitler, young citizens of a major European industrial power are unable to find a place for themselves in the society of their fathers.

I ask unanimous consent that Mr. Mulligan's article be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HARTKE. America's prosperity is unprecedented and it leads a prosperous world. France, by contrast, is fast becoming an island of unemployment in a worldwide sea of prosperity. That is

CHANCE FOR DEFENSE

Father Conklin went to the U.S. Court of Appeals for the Ninth Circuit, which last February broke precedent by holding that Judge Jameson had jurisdiction. However, sovereign Indian tribes may be in theory, ruled this court, tribal courts are obviously "in part" arms of the Federal Government and are thus apparently bound by minimal standards of constitutional fairness.

Last week Judge Jameson heard the case and granted Mrs. Colliflower's petition. Because she was sentenced with no chance to defend herself, said the judge, "I must conclude that there was a lack of due process under the fifth amendment." Mrs. Colliflower is not exempt from retrial and possible conviction, but her victory will sharply curb the power of tribal courts.

PAINFUL AND COSTLY LESSONS REGARDING LAW AND ORDER

Mr. HRUSKA. Mr. President, there has been an increasing awareness across the country that the breakdown in respect for the law is rapidly becoming, if it is not already, the No. 1 problem facing our Nation. This feeling has been reflected in the increased attention the problem is receiving.

Recently I had the opportunity to discuss this matter personally at some length with the Director of the Federal Bureau of Investigation, J. Edgar Hoover. Much of the discussion related to matters which are dealt with in his "Message From the Director" article in the September 1965, FBI Law Enforcement Bulletin.

His typical straight-from-the-shoulder appraisal hits the nail on the head, and is in refreshing contrast to the position taken by those who would blame this increasing lawlessness on the nature of our society:

No doubt, society has failed our youth, but not in the way many seem to think. Rather, the dereliction has been in the failure to teach them the meaning of discipline, restraint, self-respect, and respect for law and order, and the rights of others. Consequently, the lesson now is both painful and costly.

I commend to my colleagues the Director's article as well as the column by David Lawrence from the September 8 Washington Evening Star which discusses the article. I ask unanimous consent that these two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the FBI Law Enforcement Bulletin, September 1965]

MESSAGE FROM THE DIRECTOR

Young thugs and teenage criminals may be pressing their luck by increasing their violent escapades while blaming society for their faults.

It appears that the public is beginning to gag on the steady sociological diet of excusing the conduct of teenage hoodlums because "society has failed them." Resort communities racked by senseless riots and citizens who cannot venture from their homes without being assaulted and beaten are getting fed up with pampered and insolent youth gangs.

Some courts in the troubled areas are taking a more realistic approach in handling those involved in these outbreaks. New laws

providing stiffer penalties are being enacted in a few places. We can only hope that authorities everywhere will follow this trend. Certainly, the mere desire of young miscreants to have a "blast" or to "let off steam" is no excuse to ravage a community and to maim and terrorize its residents.

That holiday riots and similar antics by carousing youths have evoked widespread concern is not surprising. It is surprising, however, that strong public reaction did not come sooner. For several years, the increasing volume of criminal acts by young people—spurred on by the lenient treatment received—has presented a clear barometric reading of what we are now witnessing. For instance, from 1960 through 1964, the percentage of young age-group arrests for homicide, forcible rape, aggravated assault, robbery, burglary, larceny, and auto theft more than doubled the population increase percentage of the same group. Arrests of persons under 18 for simple assault rose 79 percent, drunkenness and related violations 52 percent, disorderly conduct 18 percent, and concealed weapons 17 percent during the same 5 years. In the light of this shameful picture, we cannot say that we were not forewarned.

The immediate objective, of course, is to put a stop to these rumbles and mass vandalism. Meanwhile, the question puzzling most people is what caused the principles and morals of some of our youth to degenerate to near animal level. Recognizing the problem comes much easier than its solution. However, of all the factors involved, I am convinced one of the most damaging is the false teaching which tends to blame society for all the frustrations, woes, and inconveniences, real or imaginary, visited upon our young people. Teenagers, and their parents, have been subjected to a foolhardy theory which condones rebellious conduct against authority, law and order, or any regulatory measures which restrict their whims, wishes, desires, and activities. This astonishing belief has spread into the schoolroom, the living room, the courtroom, and now into the streets of our Nation in the form of wild, drunken brawls.

No doubt, society has failed our youth, but not in the way many seem to think. Rather, the dereliction has been in the failure to teach them the meaning of discipline, restraint, self-respect, and respect for law and order and the rights of others. Consequently, the lesson now is both painful and costly.

JOHN EDGAR HOOVER,
Director.

[From the Washington Star, Sept. 8, 1965]
HOOVER INDICTS "FALSE TEACHING"

(By David Lawrence)

J. Edgar Hoover, Director of the FBI, probably knows more than anybody else what's causing crime to increase throughout the Nation. He keeps in close touch with local officials and police in all areas, and certainly is able to form a judgment as to whether recent disturbances have been due primarily to "sociological" factors. Hence, his latest message—published in the September issue of the FBI Law Enforcement Bulletin—about hoodlums and riots is particularly significant.

Hoover does not accept the explanation—frequently offered even in the administration—that the disorders can be blamed on the failures of society. He says:

"It appears that the public is beginning to gag on the steady sociological diet of excusing the conduct of teenage hoodlums because 'society has failed them.' Resort communities racked by senseless riots and citizens who cannot venture from their homes without being assaulted and beaten up are getting fed up with pampered and insolent youth gangs.

"Meanwhile, the question puzzling most people is what caused the principles and morals of some of our youth to degenerate to near animal level. Recognizing the problem comes much easier than its solution. However, of all the factors involved, I am convinced one of the most damaging is the false teaching which tends to blame society for all of the frustrations, woes, and inconveniences, real or imaginary, visited upon our young people.

"Teenagers and their parents have been subjected to a foolhardy theory which condones rebellious conduct against authority, law and order, or any regulatory measures which restrict their whims, wishes, desires, and activities. This astonishing belief has spread into the schoolroom, the living room, the courtroom, and now into the streets of our Nation in the form of wild, drunken brawls.

"No doubt society has failed our youth, but not in the way many seem to think. Rather, the dereliction has been in the failure to teach them the meaning of discipline, restraint, self-respect, and respect for law and order and the rights of others. Consequently, the lesson now is both painful and costly."

Hoover did not discuss specially the riots which have developed out of racial friction but confined himself to the misbehavior of teenagers generally. There are, however, many people, inside and outside the Government, who feel that to blame society for the recent disturbances is a convenient excuse and overlooks the fact that criminal elements have taken advantage of the racial controversy.

Just a few days ago, William H. Parker, chief of the Los Angeles Police Department, revealed that many persons who participated in the recent riots in California were veteran criminals. He said:

"We processed 2,500 of those arrested and found that 76 percent of them had criminal records prior to the riot. * * * There were 26 of these people on parole at the time they were arrested."

Most police officers are unhappy about the attitude of the courts in letting criminals go free. Indeed, Hoover, in his message in the Law Enforcement Bulletin, makes a comment on this point, too. He says:

"Some courts in the troubled areas are taking a more realistic approach in handling those involved in these outbreaks. New laws providing stiffer penalties are being enacted in a few places. We can only hope that authorities everywhere will follow this trend."

There is no doubt that the emphasis on "police brutality" has been stirring up hostility toward law enforcement and at the same time provoking considerable criticism from those responsible for the arrest and punishment of criminals.

Judge Norman Elkington of the California Superior Court, in sentencing an ex-convict to life imprisonment a few days ago, lashed out at the attention given to allegations of "police brutality." The prisoner—described by the judge as "the most vicious criminal" he had ever seen—had claimed that his civil rights were violated by "brutality" on the part of the two arresting officers, and the charges had been investigated by the Department of Justice. The judge asked:

"How should a policeman disarm a desperate criminal coming at him with a knife? Are there some some sporting rules he must follow, such as allowing the assailant to draw first blood?"

One college professor, in a paper presented to the American Sociological Association Convention in Chicago last week, even advocated that policemen should carry no weapons. The theory is that disarming them would improve their public image and reduce antagonisms.

Law enforcement is being made more and more difficult despite the fact that the crime wave now is disturbing American life more than at any other time in history.

EXTENSION OF THE NATIONAL WOOL ACT

Mr. McGEE. Mr. President, the National Wool Act is one farm program which has worked well. It is for this reason that I introduced a bill extending this act—a bill on which 43 of my colleagues joined as cosponsors, including the majority and minority leaders of the Senate.

The Wool Act program has been in operation for 11 years. I think it is important to bear in mind that in 1954 the U.S. Tariff Commission, following an investigation under section 22 of the Agricultural Adjustment Act, recommended to the administration that the duty on imported wool be increased 10 cents per pound. The White House said this additional duty would jeopardize U.S. relations with nations exporting wool to us. The National Wool Act was then evolved in lieu of a tariff increase. Payments under the act are limited to 70 percent of the duties on wool and wool manufactures.

It is significant that the Wool Act program is now costing considerably less than it did during the early years of its operation. One of the reasons for this is the fact that the market price for wool has improved, thereby reducing the amount of payments necessary to compensate for the difference between the market level and the incentive level. An important factor contributing to the better market prices for wool has been the promotion program which growers themselves have financed and which has been in operation since 1955. Growers are spending their own money to promote both of their products—wool and lambs.

Unfortunately, in the present program, there has been no reflection whatsoever, through the incentive level, in the increased production costs. During the 11 years' operation of the Wool Act program, the incentive level has remained at 62 cents while the costs of production have risen approximately 15 percent. In view of this and the further fact that costs of the program have been reduced substantially in recent years, I strongly endorse the amendment which the Senate Agriculture Committee has included in the farm bill as a part of the Wool Act extension. This amendment establishes a formula to relate the incentive price level to changes in costs of production.

The Wool Act is vastly superior to the old and unsatisfactory loan program whereby wool went into Government stockpiles at high storage expense to the Federal Government and built up into surpluses that depressed the market. Certainly it is much better to have wool selling freely on the open market as it does under the National Wool Act.

The Wool Act has helped to maintain a domestic sheep industry and a domestic supply of wool so that the United States has not become dependent on foreign producers to fill our wool needs.

It is a good program, one that has been working well and one that should be extended.

USE OF PRERECORDED TELEPHONE MESSAGES BY EXTREMIST ORGANIZATIONS

Mr. McGEE. Mr. President, I am among those who have viewed with alarm the increasingly common practice of extremist organizations which bring their hate and vilification to the public via prerecorded telephone messages. Others, too, have commented upon this practice which abuses, with libel, slander, and falsehood, the message service provided by the telephone companies of America for the convenience of the public.

The attention which has been focused on this problem, largely by members of this body, is becoming wider, Mr. President. The Washington Post today, September 9, carries a report that the Anti-Defamation League of B'nai B'rith has filed a protest with the Federal Communications Commission, specifically naming as an offender an organization known as "Let Freedom Ring," which operates out of Sarasota, Fla. Recently, the Denver Post took editorial note of the problem and urged action to get to the bottom of what it called the telephone recording racket.

Mr. President, I ask unanimous consent that both the Washington Post news report and the Denver Post editorial be printed in the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 9, 1965]
TELEPHONE MESSAGES ON TAPE CAUSE PROTEST TO FCC

(By Burnell Heinecke)

CHICAGO.—A tape-recorded telephone message operation which is labeling the Peace Corps as "subversive," has led the Anti-Defamation League to file a protest with the Federal Communications Commission.

The FCC was asked to initiate proceedings requiring telephone companies to curb "flagrant abuses of their recorded message service" such as those listed against Let Freedom Ring, Inc., of Sarasota, Fla.

The league took the action a few days after issuing a special 4-page "Facts" edition for August, devoted exclusively to the "Let Freedom Ring" operation across the Nation.

The report links the Let Freedom Ring telephone-recording setup to the John Birch Society and calls it "a new voice of the radical right in America."

The petition charges that the anonymous recordings make "abusive and extremist attacks and libels on individuals and institutions."

Obscene, fraudulent and libelous statements are not within the area of constitutionally protected speech, the league's petition asserts. It acknowledges the telephone companies cannot be held liable if they have no knowledge of the libelous intent of the messages broadcast on their automatic announcement service. However, the petition declares, once the officials of the phone company are informed of libelous content of a message, the company should be able to deny use of its facilities for such messages.

The Chicago operation has been under careful watch of Illinois Bell Telephone Co.

officials since its inception earlier this year. Similar phone setups are operating in nearby communities of Illinois and Indiana, according to the Chicago office of the Anti-Defamation League of B'nai B'rith.

Each message usually concentrates on one subject with a closing appeal to send 25 cents to either a local or a Florida postal box number for literature on the topic.

Last week's Chicago message, for example, declares: "The Peace Corps, long a sacred cow of the Administration, has become a taxpayer-financed anti-American brainwashing operation for America's youth. One gets the uneasy feeling that something akin to the Hitler Youth movement, with a Communist twist, has been born in America and is spawning its poison here and abroad."

An April message of former President Dwight D. Eisenhower, which called him "an ersatz conservative with a pro-Communist record" and "one of the greatest phonies ever put over on the American people," first brought the Let Freedom Ring telephone setup to public attention here.

In October 1964, Senator JACOB K. JAVITS (Republican, of New York) in a Senate speech said after one tape contended that U.S. military forces were demoralized, that Pentagon analysis of the tape "makes it clear how propagandists make full use of half-truths as well as outright falsehoods to give their message the appearance of credibility." He said the group was spreading "suspicion, hate, and invective" in six States.

The Anti-Defamation League's report last week declares the Let Freedom Ring stations are now found in many of the major cities plus a host of smaller ones.

The messages come from tapes supplied by Let Freedom Ring's creator, Dr. William Campbell Douglass, a Sarasota physician listed by the Anti-Defamation League as a John Birch member. In his literature, Dr. Douglass says his is "a nonprofit corporation established to disseminate anti-Communist, anti-Socialist, pro-American broadcasts via a telephone tape recording. Your 'customer' dials a number and gets two minutes of anti-Communist dynamite."

But Anti-Defamation League said in both its report and its FCC petition that the scripts consist of "lurid visions of a 'Communist conspiracy' lurking behind civil rights, the United Nations, the Supreme Court, the last three U.S. Presidents, the State Department, the press, the National Council of Churches, the American Civil Liberties Union, the Anti-Defamation League, and so on."

[From the Denver Post, Aug. 20, 1965]

SENATORS TUNE IN ON HATE CALLS

We hope the Senate Subcommittee on Communications gets to the bottom of the telephone-recording racket being used increasingly by extremist groups.

Chairman JOHN O. PASTORE, Democrat, of Rhode Island, says the phone investigation will be part of a broad study of anonymity in public communications. One specific study will be made of the adequacy of identification of the source of telephone hate messages.

Evidence so far indicates that it is right-wing extremists who are using the recordings, but the same facilities are available to agitators of any political stripe.

The usual technique is to advertise a telephone number. When the caller dials the number, he hears a transcribed message of one sort or other. Some are religious, some commercial. But the Pastore subcommittee is concerned about anonymous recordings that are false, slanderous, and abusive.

In the Senate last month, Senator GALE McGEE, Democrat, of Wyoming, said telephone recordings are "a tool of extremists coast to coast." He spoke particularly of an

National Section must be enabled to function effectively.

The Department of State believes that experience over the past years has demonstrated that the Institute is an effective instrument for promoting geographic and historical research development throughout Latin America. Furthermore, the U.S. Government is interested in improving the economic structure of these countries, and the Institute, a small organization whose activities are especially adapted to the area, is contributing significantly to the overall development in this field.

STUDY BY NATIONAL CAPITAL PLANNING COMMISSION OF SITE FOR THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. MUNDT. Mr. President, I introduce, for appropriate reference, a joint resolution requiring the National Capital Planning Commission to make a detailed study and to hold public hearings on the subject of the best possible site for the John F. Kennedy Center for the Performing Arts.

I am sure that all of us have become increasingly aware and worried over the public debate and controversy that has developed as a result of the selection of the present Potomac River site. Many influential and knowledgeable organizations have criticized the Potomac location. Recently the American Institute of Architects adopted a resolution which questioned the whether the present location is adequate to receive properly a building of the size and importance of the contemplated Center, and stating that it believed that another location might provide a more appropriate site for this great memorial. Several leading newspapers, including the New York Times and the Washington Post, have urged that a better site be chosen.

In view of the serious questions that have been raised, the permanency of the building to be erected, the amount of money involved, and the general desire to insure that our Capital City be developed in an orderly and satisfactory way, I think it only logical and prudent that the National Capital Planning Commission, which is the agency created by the Congress to be responsible for the development of the Nation's Capital, make this study.

I do not believe that this matter has received the detailed consideration that it deserves. The National Capital Planning Commission has never really been consulted. In 1958, when previous plans calling for a cultural center directly across from the National Gallery were abandoned, the Planning Commission was more or less told to select a site along the Potomac. Attempts to get the project off the ground were less than successful and it was not until the cultural center was selected as the memorial for the late President Kennedy that the impetus was provided for the completion of the project.

At the time it was only natural for those in charge of planning the center to want to move forward as quickly as possible with the existing authorization. The entire country was engulfed by a wave of emotion that has never been

equaled. Now, however, I believe we should take a sober second look and select the best possible site for this memorial.

Mr. President, I do not pertain to be an expert on city planning. This is why I am proposing no particular spot and this is why I am suggesting that a competent panel be placed in charge of the decisionmaking. I must say, however, that I am not particularly impressed with the reasons advanced by those who wish to keep the Potomac site which is presently proposed.

The board of trustees of the Kennedy Cultural Center seem to believe that we have gone too far to change our minds. I disagree. We have not started to build. We have not expended any funds for acquisition of land. All that has been accomplished thus far is to let the bids for demolition. While there may be some added cost if the existing plans would have to be modified, this would be a minimal sum when you consider the total cost involved and how permanent that expenditure will be once the building is constructed. If the Potomac site is a mistake, then it should be corrected and it is still not too late to correct a bad mistake, even if we have to do it at this 11th hour.

I must admit that I am personally reluctant to see the Potomac River bank utilized for a project of this type. This is valuable land. Perhaps not as valuable in a monetary sense as some other locations might be, but valuable in the sense that it still contains much God-given natural beauty.

In my home State of South Dakota we are fortunate in having thousands of acres of land that still repose in their natural setting. It is beautiful scenery for man cannot improve upon the Lord's architecture. This is a legacy that has been given to us by our ancestors and which we in turn should endeavor to pass on to those who succeed us. It is, unfortunately, a dwindling legacy.

In Washington this matter is becoming particularly acute. When you consider the total metropolitan area as belonging to the city of Washington, it is evident that we are rapidly approaching the time when we will be the center of a gigantic circle of concrete miles away from such things as open space, grass, trees, winding river banks, and fresh air. With the exception of Rock Creek Park, the banks of the Potomac represent just about the last possibility to preserve these natural beauties.

Recreation has taken on added significance during the past decade. It is only natural to assume that this trend will continue. The Potomac will grow more valuable as the demand for recreational areas increases. To future generations, a place to swim, to fish, to sun bathe, or simply take a walk along a wooded lane may well be fully as important as a cultural center.

I do not believe, however, that the reasons for calling for a reappraisal of the location need rest on these arguments alone. It would appear that several positive factors have entered the scene that were not considered originally and could very well change the initial plan.

This site was chosen in 1958 before the plan for redesigning Pennsylvania Avenue came along. Now a Commission has been established and these gentlemen are attempting, assumably, to make Pennsylvania Avenue into the showcase thoroughfare envisioned by Pierre L'Enfant more than 150 years ago. A cultural center located on the avenue could very well contribute to this plan. It should at least be considered along with all other attractive and available sites.

A location that would be more centrally located and thus more easily accessible would seem to be a cogent reason for relocation. The Potomac site is nowhere near the center of the city and visitors would have to rely almost entirely on automobile transportation. In contrast a cultural center located in the heart of the city could utilize the new subway system as well as old-fashioned shoe leather. The subway system, once again, is a new factor that has arisen. At the time of the original selection it was merely a dream; now it is becoming a reality.

Finally there is the question of availability of new funds. With the enactment into law of the recently passed housing bill, urban renewal funds are available for the first time for the District of Columbia. Such funds have been used in other cities to acquire sites for cultural centers and this possibility should be examined in Washington.

Mr. President, I want to make it clear that in sponsoring this resolution I am not attempting to delay the construction of the Cultural Center. I am interested only in insuring that the best possible site be selected. Furthermore, I am not proposing any particular site but rather suggesting that the National Capital Planning Commission be required to make a detailed study of the site selection and to propose its knowledgeable recommendation. Finally, I am not proposing that such a study long delay the project. Under the terms of the resolution, the Planning Commission would be required to make its report in 90 days and no construction could be carried on while the Commission makes its study.

Similar resolutions have been introduced in the other Chamber. I urge that the Senate pass this joint resolution so that we may bring this matter out in the open. If the relative merits of the proposed sites are to be debated, they should be debated before the agency responsible—the National Capital Planning Commission. Passage of this resolution would assure such careful consideration by the appropriate group.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 109) directing the National Capital Planning Commission to make a study of the site selected for the John F. Kennedy Center for the Performing Arts and any other sites proposed for such Center, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Public Works.

CONGRESSIONAL SUPPORT URGED FOR INDIA-PAKISTAN PEACE EFFORTS

Mr. JAVITS. Mr. President, on behalf of the Senator from Oregon [Mr. MORSE] and myself I submit a concurrent resolution concerning the hostilities which are going on in India and Pakistan.

In submitting this measure I point out that the stakes are too high for India, for Pakistan, and for the world to permit a continuation or escalation of the fighting that could ultimately lead to the destruction of one or both of the adversaries and virtually invite Communist China to interfere in a major way in the affairs of the subcontinent.

I feel that Congress, as representatives of the people of the United States, should make known its support of all efforts by the United Nations and other international organizations to bring about an immediate cease-fire in the Indian subcontinent.

We should support the President's interim action in withholding military aid to both countries. We should also support the President, and not tie his hands, in the dispensing of nonmilitary aid to India and Pakistan. The President has complete authority, under the Gruening-Javits-Morse amendment to the Foreign Assistance Act, passed in 1963, to make a factual determination whether or not any country receiving our assistance is preparing for or engaged in aggressive military efforts against another aid recipient, requiring that assistance to that country be temporarily suspended. That amendment is now section 620(i) of the Foreign Assistance Act of 1961, as amended.

We should support the President and not tie his hands, and we should back the United Nations in its effort to end the fighting, and thus maintain a consistent, unified policy.

I am pleased to note that this is a bipartisan concurrent resolution. It is the great tradition of our country that we close ranks in international emergencies. That is what this resolution seeks to accomplish.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 58) was referred to the Committee on Foreign Relations, as follows:

Whereas the United States is committed to the peaceful settlement of international disputes; and

Whereas the current armed conflict between India and Pakistan is inimical to the interests of the countries concerned and of the United States, and endangers international peace; and

Whereas it is the desire of the United States to maintain mutually friendly and productive relations with both Pakistan and India: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) The United States should support and encourage United Nations efforts and take other appropriate measures, as the President determines, to bring an end to the armed conflict between India and Pakistan at the earliest possible moment.

(2) The Congress supports and approves the interim action of the President in withholding military assistance during the continuation of military hostilities between India and Pakistan and invites the President to consider making a determination pursuant to section 620(i) of the Foreign Assistance Act of 1961 with respect to the temporary suspension of economic and military assistance to Pakistan or India during the continuation of military hostilities between them.

APPROVAL OF COPPER ACCORDS BY CHILEAN SENATE

Mr. JAVITS. Mr. President, every Member of the Senate should be heartened by the fact that, according to a news dispatch which has just come in, the Chilean Senate has approved the copper agreements which President Frei negotiated with American copper companies in Chile. The copper accords already had the approval of the Chilean Chamber of Deputies, where President Frei's Christian Democrats have a majority, but there had been considerable question whether the agreements would be blocked in the Chilean Senate.

The Chilean copper agreements demonstrate the range of possibilities of mutually satisfactory settlement in a sensitive area of private foreign investment in Latin America, and as such have very broad significance. Not only does the removal of this last major obstacle to final approval of the agreements constitute an important victory for President Frei's program, but the action which the Chilean Senate has just taken is a great and constructive contribution to inter-American cooperation.

FOOD AND AGRICULTURE ACT OF 1965—AMENDMENT

AMENDMENT NO. 437

Mr. McGOVERN. Mr. President, I have just submitted an amendment to the wheat title of H.R. 9811 which will:

First. Continue the domestic certificate—two-price approach, which has been used successfully the past 2 years.

Second. Provide for a variable export certificate under which wheat farmers would receive the full net returns from commercial wheat export operations.

Third. Enable wheat to be competitive with feed grains, as in recent years, and thereby permit the continuation of the popular acreage substitution provision of the wheat and feed grain programs.

All other provisions of the Senate bill relating to allotments, diversion, price support, and income goals would be unchanged.

The bill reported by the Senate committee provides direct payments to the cooperating producer on this entire production while maintaining the requirement that wheat users buy certificates. This approach could, in the years ahead, create difficulties in trade negotiations, since it supports export wheat as well as wheat used domestically—a device which invites retaliation by other governments. By returning to the domestic parity approach, the McGovern amendment will enable U.S. wheat producers to produce

for only the domestic market if they wish and receive price support based on parity. If producers want to produce more, they may do so at world market prices or near that level without depending on heavy export subsidies. This will enable U.S. wheat to compete for a fair share of the world markets within trading rules acceptable to competing countries.

The variable export amendment would follow the pattern now used by some other wheat exporting nations. On all export wheat, farmers would receive the basic price support loan. In addition, the Department of Agriculture would establish for exporters on a daily basis either a certificate sale value or a refund, which would make U.S. wheat prices competitive at the world level. If world wheat prices were above U.S. wheat prices, certificates would be sold to exporters. Receipts would be pooled, and net receipts above refunds to exporters would be allocated to wheat producers at the end of the year.

The amendment provides that the loan level shall take account of the feed value of wheat and will enable farmers who participate in the wheat and feed grain programs to substitute, acre for acre, between feed grains and wheat as best suits their individual farming operations.

The Senate committee bill did not contain authority for setting the basic loan level on wheat so that it could be competitive with feed grains. My amendment takes care of that situation.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table.

AMENDMENT NO. 438

Mr. PROXMIRE (for himself, Mr. MACNUSON, Mr. HART, Mr. JACKSON, and Mr. FULBRIGHT), submitted an amendment intended to be proposed by them, jointly, to House bill 9811, the Food and Agriculture Act of 1965, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 439

Mr. DODD submitted amendments, intended to be proposed by him, to House bill 9811, the Food and Agriculture Act of 1965, which were ordered to lie on the table and to be printed.

AMENDMENTS NOS. 440 AND 441

Mr. BREWSTER submitted two amendments, intended to be proposed by him, to House bill 9811, the Food and Agriculture Act of 1965, which were ordered to lie on the table and to be printed.

ADDITIONAL COSPONSOR OF BILL AND CONCURRENT RESOLUTIONS

Mr. GRUENING. Mr. President, I ask unanimous consent that at the next printing of S. 1676, my bill to provide for certain reorganizations in the Department of State and Department of Health, Education, and Welfare, the name of the junior Senator from Wyoming [Mr. SIMPSON] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: Senate debated farm bill and agreed to Talmadge cotton amendment.

SENATE

1. FARM PROGRAM. Continued debate on H. R. 9811, the farm bill (pp. 22545, 22546-85, 22589, 22590). Agreed to a unanimous-consent agreement by Sen. Mansfield providing that beginning Mon., debate on any amendment shall be limited to two hours (except that debate on a dairy amendment, if offered, shall be limited to one hour) and that debate on the question of final passage of the bill shall be limited to six hours (pp. 22577-8).

Agreed to the following amendments:

- By Sen. Talmadge, 62 to 24, to restore to the bill cotton provisions similar to those as passed by the House for a one-price cotton program instead of a two-price program as reported by the Senate Committee. pp. 22446-65
- By Sen. Holland, to provide that whenever the application of any law requires determinations to be made of the amounts of labor needed for the production and harvesting of agricultural crops, such determinations shall be made by the Secretary of Agriculture. Sen. Holland explained that the purpose of the amendment was to strike out present wording in the bill which relateto all other activities affecting agricultural commodities except labor. pp. 22565-6
- By Sen. McGovern, which he stated would modify the wheat provisions of the bill so as to permit the issuance of domestic and export marketing certificates to producers, to provide for variable export certificates,

and to safeguard the farmer's opportunity to substitute acreages of wheat and feed grains freely in the wheat and feed grains programs. pp. 22573-81

By Sen. Mansfield, to strike out Sec. 703 of the bill, expressing the sense of Congress that no restriction with respect to transportation in American vessels is to be applied to the commercial exportation of agricultural commodities if not applied to the exportation of other commodities, and to refer the matter to the Foreign Relations Committee for further consideration. pp. 22582-3

Rejected an amendment by Sen. Carlson to provide that farmers participating in the wheat and feed grains programs would not be required to maintain over one-half of their farms in soil conserving and summer fallow practices. pp. 22584-5

2. CONSERVATION. Sen. McGovern urged greater coordination of natural resource conservation programs in the Federal Government and support for enactment of S. 938, to declare a national policy on conservation, development, and utilization of natural resources. pp. 22605-8
3. CONSUMERS. Sen. Neuberger inserted an article reviewing the status of legislation relating to consumers and "the existing lack of enthusiasm to do anything about the consumers' pocketbook." pp. 22600-02
4. POVERTY. Sen. Scott inserted an article critical of administration of the poverty program in Philadelphia. PP. 22602-5
5. ELECTRIFICATION. Sen. Monroney inserted the winning essays on rural electric cooperatives in a contest sponsored by the Okla. rural electric cooperatives. pp. 22613-5
6. FARMERS HALL OF FAME. Sen. Proxmire commended receipt of a certificate of incorporation by a Wisc. group "to form a nonprofit, educational institution, to honor, elevate, and enhance the image and status of the American farmer." p. 22617
7. ADJOURNED until Mon., Sept. 13, p. 22619

ITEMS IN APPENDIX

8. URBAN AFFAIRS. Extension of remarks of Rep. Moss commending and inserting an article, "Creation of Urban Post is Milestone for United States." p. A5113

PRINTED HEARINGS RECEIVED BY THIS OFFICE

9. SUGAR. H. R. 10496, to amend and extend the Sugar Act of 1948. H. Agriculture Committee.
10. INTERGOVERNMENTAL RELATIONS. Five-year record of the Advisory Commission on Intergovernmental Relations and its future role. Jt. S. and H. Government Operations Committees.
11. PERSONNEL. S. 2393, to authorize additional supergrades. H. Post Office and Civil Service Committee.
12. RESEARCH; EDUCATION. Conflicts between the Federal research programs and the Nation's goals for higher education. H. Government Operations Committee.



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No. 167

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, September 13, 1965, at 12 o'clock noon.

Senate

FRIDAY, SEPTEMBER 10, 1965

(Legislative day of Wednesday, September 8, 1965)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President. The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God of hope, as even through the dust of conflict and through battle flame, youthful warriors from our hearts and homes are contending far away that freedom's glorious light shall not be extinguished, we turn to Thy ever-waiting presence where, beyond these voices of tumult, there is peace. Even as we gaze at the ghastly havoc when man forsakes Thy light of truth, and defies Thy law of love, we thank Thee for a vision of the new earth, the glory of whose coming has been heralded by the prophets of old.

We rejoice in the newborn hopes with which an awakening world is thrilling, and for the rainbows of a fairer earth which are seen by faith through the tears and terrors of today's conflict. Grant that our dear land may play its full part in the fulfillment for all men of the bow of promise now arching the stricken earth, foretelling a social order where each people shall enrich the world with the gifts of its excellence when Thy Kingdom comes.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, September 9, 1965, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its

reading clerks, announced that the House had passed a bill (H.R. 6277) to amend the Foreign Service Act of 1946, as amended, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 468) to recognize the World Law Day, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 6277) to amend the Foreign Services Act of 1946, as amended, and for other purposes, was read twice by its title and referred to the Committee on Foreign Relations.

FOOD AND AGRICULTURE ACT OF 1965

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

The VICE PRESIDENT. Under the unanimous-consent agreement, the amendment of the Senator from Georgia [Mr. TALMADGE] is the pending question.

The time on the amendment is controlled equally by the Senator from Georgia and the Senator from Louisiana [Mr. ELLENDER].

CALL OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, aside from the time allocated, I may call up at this time certain measures on the calendar to which there is no objection, beginning with Calendar No. 674.

The VICE PRESIDENT. Without objection, it is so ordered.

The clerk will state the first bill.

MAJ. ALEXANDER F. BEROL, U.S. ARMY, RETIRED

The bill (H.R. 3684) for the relief of Maj. Alexander F. Berol, U.S. Army, retired, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 692), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve Maj. Alexander F. Berol, U.S. Army (retired), of Oreland, Pa., of liability to the United States in the amount of \$3,161.28, based upon compensation paid him for service rendered the United States while employed as a civilian by the Department of the Navy from January 7 through September 13, 1963, which employment was subsequently ruled to have been in violation of the Dual Office Act.

CLARENCE L. AIU AND OTHERS

The bill (H.R. 8351) for the relief of Clarence L. Aiu and others was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 693), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to provide reimbursement in the amounts set forth in the bill to 62 employees of the Federal Aviation Agency stationed on Guam for losses of, and damage to, personal property, and in some cases for expenses incident to evacuation, resulting from Typhoon Karen on November 11, 1962.

A. T. LEARY

The bill (H.R. 9854) for the relief of A. T. Leary was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 691), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is to pay to A. T. Leary of Beaufort, N.C., \$3,778.02, to reimburse him for amounts paid to the United States as employee and employer taxes under the Railroad Retirement Tax Act, which were not credited to his retirement account, so as to provide the basis for retirement under that act, nor refunded to him. This amount was paid to the Government in connection with services performed by him in connection with the operation of the Beaufort & Morehead Railroad Co.

M. SGT. RICHARD G. SMITH,
U.S. AIR FORCE, RETIRED

The bill (H.R. 1892) for the relief of M. Sgt. Richard G. Smith, U.S. Air Force, retired, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 694), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve M. Sgt. Richard G. Smith, U.S. Air Force (retired), of all liability to repay to the United States the sum of \$790.44, representing overpayments made by the Department of the Air Force resulting from an erroneous credit of longevity pay. The payments were for basic pay, accrued leave, and a reenlistment bonus. Payments were made between 1948 and 1963. The legislation furthermore allows for credit in the accounts of any certified or disbursing officer for the amounts involved. Refund is authorized of any amounts repaid by or withheld from the claimant.

WALTER K. WILLIS

The bill (H.R. 8218) for the relief of Walter K. Willis was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 695), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to relieve Mr. Walter K. Willis of all liability to repay \$726.73, representing the aggregate amounts received by him from the Department of the Air Force, as a result of administrative error on the part of the Department, for (1) accrued leave at the time of his discharge on January 22, 1962, as an enlisted member of the U.S. Air Force, and (2) pay and allowances for 50 days of leave taken by him, in excess of his entitlement, during the period beginning May 16, 1960, and ending January 12, 1961.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

EXECUTIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate proceed to the consideration of the Executive Calendar to consider nominations for the Department of Justice only.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations in the Department of Justice on the Executive Calendar will be stated.

DEPARTMENT OF JUSTICE

The Chief Clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified immediately of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

FOOD AND AGRICULTURE ACT OF
1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a

quorum call, the time consumed for the call to be equally divided.

The VICE PRESIDENT. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Without objection, it is so ordered.

Who yields time?

Mr. TALMADGE. Mr. President, I yield 20 minutes to the distinguished junior Senator from South Carolina.

Mr. RUSSELL of South Carolina. Mr. President, at the outset, let me say that I associate myself with the remarks made by my colleagues on the committee by way of tribute to the distinguished and able chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER].

I am the youngest member of that committee. I heard remarks concerning the difficulties encountered in filling the membership of his committee. I am sure the chairman will recall that I am not one of those who were drafted on his committee, but one who enlisted with great enthusiasm and great zeal.

I have felt very much rewarded, especially because of his graciousness, his unflagging courtesy at all times, and his tolerance of the viewpoints of others, but, above all, the encyclopedic knowledge on all agricultural matters of the distinguished chairman.

I have found the chairman to be a wise mentor at all times on the problems of agriculture, except in one field, I regret to say; namely, cotton.

I enjoyed with a great deal of interest the fine comments made by the chairman of the importance of agriculture in the life of this Nation. I share with him the feeling that the strength of this Nation lies as much in its ability to feed and clothe itself as it does in its armor, or even in the wisdom of its leadership.

This Nation is peculiarly fortunate that it can say with pride that it is the best fed and best clothed nation in history. I believe that is a basic element in the strength of America and one of the real reasons why, today, we enjoy world leadership.

To a large extent, this situation is due to the American farmer. He is entitled to consideration for that reason. He has achieved it not by being inefficient in many things, but has proved that he is as efficient as anyone in the economy.

In recent years, the productivity of American farmers has outpaced the productivity of the industrial worker in America. We were very much interested in certain figures presented by a distinguished economist—who comes from my own State of South Carolina—who appeared before the committee and who, by his statistics, established that in the past few years the productivity of the American farmer increased 176 percent, as contrasted with only a 56-percent increase in the productivity of the industrial worker.

In short, the American farmer is increasing his productivity at a rate $2\frac{1}{2}$ times as fast as the industrial worker.

Yet this is, in truth, the tragedy of the American farmer.

Unlike the industrial worker, the American farmer has not been able to translate this increase in productivity into a corresponding increase in income.

As we all know, in the past 2 years the share of the American farmer in the consumer's dollar to buy goods and services has been decreasing.

Certain figures published in an outstanding national magazine a week or so ago indicated that in the past 20 years the share of the American farmer in the consumer's dollar had dropped 15 percent.

Again, I am referring to the statistics presented by the able economist who comes from my own State, which established the fact that since 1954 the income of the farmer was decreasing at the rate of 1.4 percent a year, as contrasted with an increase in income of the wage earner of 3.3 percent during the same period of time.

It is significant that the nonfarm population enjoys an income, according to his statistics, 86-percent greater than the farm family. Today 43 percent of the farm families have an income of \$3,000 or less. In short, 43 percent of the population on the farms fall in the poverty group, as contrasted with 14 percent of the nonfarm population.

I believe, therefore, that it is obvious that we must have a farm program. All recognize the reason for this. The farmer does not have the same opportunity that the manufacturer has to regulate and control his production against demand, and thus stabilize prices. For that very reason, there is justification and need for a farm program. I believe that the farmer deserves it. The man who provides America with the strength to be a have nation and not a have-not nation in the way of food and clothing, deserves consideration at the hands of this Government.

We should realize that, if we do not have such a program, the ultimate cost to this Government may be far greater than the cost of any farm program. If we do not have a sound farm program, if we were to destroy American agriculture, thousands of farm families would be forced into the already overcrowded slums of our great cities. They would be added to the already overburdened public assistance rolls. They would demand increased public housing, and they would contribute to an increase in the dangerous social situation in many of our cities.

I believe that the cost of a sound program is far less than what the cost would be if we were to destroy American agriculture, especially when we consider the value of agriculture to the national economy and to the strength of this Nation.

We cannot afford not to have a farm program. It is not a waste of money. It is sound economy. This does not mean, I hasten to add, that we should not have a sensible and reasonable and sound farm program, one that will impose as small a burden as possible on the taxpayers.

A sound farm program must have three basic and fundamental objectives.

First. It must seek to maintain, and insofar as practical, to increase the farmers' income.

Second. It must seek to achieve a better balance between production and consumption, and it must do so by the use of both the tools of curtailing production, and, insofar as possible, increasing the consumption at home and abroad.

Third. It should seek to reduce Government cost.

In 1964, by amendment to the Agricultural Act, we made progress in developing a sound, sensible, and economical farm program. It has been remarkably successful in the field of feed grains and wheat. We have seen the stock of both of those crops decreasing. We have seen the income of the farmers engaged in those fields maintained.

We have achieved real progress in that direction. As this month's issue of *Fortune* magazine indicates, we are on the road to meeting the problem in those two fields, but we have a problem in the field of cotton, and it is particularly to that field that I wish to address myself.

The act of 1964 established the one-price cotton system for the first time. It has often been criticized. It is said that it has not achieved results, despite the fact that it has been advocated consistently by President Eisenhower, President Kennedy, and President Johnson. I do not subscribe to the idea that the one-price cotton system, established in 1964, was a failure or should be criticized.

It has shown real progress. It has not done all that was expected of it, not all that was anticipated, but it has represented progress.

First of all, it has increased domestic consumption. It may be said that it did not increase domestic consumption as much as its advocates said that it would. However, the significant fact is that it increased domestic consumption more than it had been increased in any year since the two-price system was inaugurated in the cotton industry. I do not believe that we should fault any program that increases the consumption of a product 600,000 bales a year. Moreover, I believe that this is only a beginning, because, as a result of the establishment of the one-price cotton system and the establishment of a fair and just method of marketing cotton to the cotton mills, there has come a new opportunity, a new hope, and a new vitality imparted to the textile industry. New mills are being projected. Employment is being expanded. Wages are being increased.

I read this morning in the *Wall Street Journal* an article concerning an occurrence in my own State. In a small community in South Carolina a little mill that was decayed, one which people expected to close and throw hundreds of people out of employment, announced yesterday that it was going to spend \$2 million to modernize the mill and expand employment. That has occurred because we have a one-price cotton system. The textile industry has confidence in its tomorrow. There will be an increase—an increase in employment, an increase in wages, and an increase in opportunity

for the cotton farmer, the cotton worker, and the cotton manufacturer. It may be said that the cotton manufacturer has increased his income. I am happy that he has. If the cotton manufacturer were not making a profit, he would not be expanding, and he would not be maintaining his plants. He would not be providing steady employment. He would not be increasing wages.

I want all those things. I know that we cannot have them unless we have a profitable and not a decaying industry. Furthermore, as a result of the one-price cotton system, we are increasing the wages of the textile workers of this country. In anticipation of the enactment of the one-price cotton system in 1964, there was a 5-percent increase in wages. Since that time there have been two increases, of 5 percent each.

As a result, there has been an increase in the income of workers in States such as my own. There is a great deal of discussion about how much it has been and how much it has amounted to.

I have before me a clipping from a newspaper published in the capital of my own State only a week ago, in which the statement is made as to the increase in the weekly wage of textile workers in South Carolina between July 1964 and July 1965. Weekly wages increased from \$73.99 to \$83.81, or a little better than a 12-percent increase in a single year.

I also have in my hand the text of an interview with a distinguished representative of the Textile Workers Union of America, a representative of the union in the Rock Hill area of my State.

He said the effect of the one-price cotton in this area was to boost textile payrolls by an estimated \$12 million in a period of about 15 months.

Mr. Ray Berthiaume, area representative for the Textile Workers Union in the Rock Hill area, one of the most knowledgeable men in the industry, concludes this interview with the following statement—and this is a representative of the union:

The entire industry will suffer without the one-price cotton. The mills will go more and more to synthetics and the cotton industry, as we have known it, will go out of existence.

That statement shows exactly how one-price cotton has contributed to the improvement of the income of textile workers of this Nation. It is said that there has been no decrease in prices, and that that was promised if we enacted one-price cotton legislation. It must be considered that for some cloth prices, there have been increases in cost and price in the past year or 15 months, but in the less sophisticated manufacturing areas, where the raw product plays a prominent role, there has been a decrease in the price of cloth. This is shown on page 658, volume 2, of the hearings.

There are listed the prices of unfinished cotton cloth. It will be noticed that where the raw product is not the dominating factor, but where supply and labor enter into the picture, there has been an increase; but if one looks at the areas where raw cotton has a more dominant part in cost, it will be seen that there has been a decrease in price.

If Senators will look at page 1228 of the hearings, at the table dealing with yarn, where the raw cotton cost is the predominant factor, it will be found that the price of yarn decreased in that field after the passage of one-price cotton legislation more than the price of cotton decreased.

So I submit that there has been a reasonable decrease in price—not as much as was anticipated, but certainly a sound adjustment in relation to the one-price cotton system. More than that, it has arrested the shift, the erosion of cotton usage by synthetics.

During the first year of the operation of the one-price system we began to see that the share of synthetics in the market for the first time showed a slight reduction. We are maintaining and bettering the position of cotton.

So I submit that the one price cotton system has not been a failure. It has achieved real success in certain areas, particularly in the area of increasing domestic consumption. Where the system has failed has been in the fact that there was a drop in exports and an increase in production. Without question, all must agree that stocks of cotton have been increasing at an alarming rate.

We note that by the end of this season we shall probably be reaching close to a 16 million bale carryover. We must stop that overproduction of cotton. The fundamental question, therefore, in developing a sound cotton program, is not the abandonment of the one-price cotton system, which has aided us so much in increasing domestic consumption; what we must have is a program that will enable us, first, to increase exports; and second, to curtail unnecessary production.

The PRESIDING OFFICER (Mr. MONROYA in the chair). The Senator's time has expired.

Mr. TALMADGE. How much time does the Senator wish?

Mr. RUSSELL of South Carolina. Ten minutes.

Mr. TALMADGE. I yield 10 minutes to the Senator from South Carolina.

Mr. RUSSELL of South Carolina. We have before us two proposals dealing with this question. One is generally referred to as the Ellender bill, which was approved by the Agriculture Committee by a single vote. The other is what has been appropriately called the Talmadge bill. It was rejected by the same committee by a single vote.

There is a fundamental difference between the two bills. The Ellender bill would abandon one-price cotton. It would disclaim any interest in anybody but the cotton producer. Some of those who advocated it said there should be no concern with anybody except the grower. I do not subscribe to that. If we are to write a sensible bill, it must be one that serves the interests of the cotton producer and the consumer. There is no use trying to grow cotton unless we can develop a market for it.

Therefore, we have an interest and concern and obligation to legislate for the grower, the mill owner, the mill worker, and the taxpayer. That is the

only way to legislate—in the public interest.

We are talking about a bill that would result in an increase of cotton by 600 million bales a year. I submit that that would be folly indeed. It is true that under the Ellender bill there is a pawn, a sop, of 3 cents; but basically and essentially we would abandon the one-price system. I submit that it would be folly for us to do so.

There is a second fundamental difference.

Both the Ellender bill and the Talmadge bill recognize and accept the assumption that there must be a curtailment in the production of cotton. Significantly enough, the same figure is used as a goal; namely, 35 percent of the production.

The difference between the two bills is significant. The Ellender bill is a purely voluntary bill. All the curtailment that it would bring about must and will be voluntary. On the contrary, under the Talmadge proposal, there is a 10-percent mandatory reduction and a 25-percent voluntary reduction.

Furthermore, under the two bills the prices are different. Under the Ellender bill, a loan price of 28 cents is to be maintained. A premium of 7 cents would be paid in order to induce the farmer voluntarily to reduce production. If he reduces to 65 percent, he receives 35 cents. If he does not reduce that amount, he receives 28 cents. On the other hand, under the other basis, we are balancing against the world price and against the loan price of 21 cents a pound.

There can be no difference of opinion about which of these plans would bring about a real curtailment in production. The plan that imposes the mandatory 10 percent plus the 25 percent voluntary reduction assures more of a curtailment, more of an approach to the goal of a 35-percent reduction than the plan that is wholly voluntary.

What would happen with no mandatory program? That would mean bidding against 28-cent cotton. The only ones who are likely to come in under the voluntary program are the marginal producers, those with the least productive acres. Those who had highly productive acres would not participate. They would continue to produce the 28-cent-price cotton.

That is the reason why, if we look at the estimates prepared by the Department of Agriculture and submitted to the Congress, it will be seen that under the Ellender bill, it is estimated that in the first year there would be a reduction of only 100,000 bales in surplus cotton stocks, whereas under the Talmadge bill, there would be approximately a 1 million bale reduction.

If a major part of the problem is reducing our surplus stocks, and one plan offers only the promise of a 100,000 bale reduction and the other promises a reduction of approximately 1 million bales, how can there be any difference of opinion as to which is the superior plan for the cotton industry, for the Nation, and

for the taxpayer? If the goal is to curtail production, there can be only one answer, and that is that the substitute motion offered by the able Senator from Georgia [Mr. TALMADGE] should be adopted.

I point out further that in the first year, the advantages to the cotton farmer under the Talmadge bill are equal to—and in my opinion better than—under the Ellender bill. If one reduced his acreage in production to 65 percent of his domestic allotment, he would receive 35 cents a pound under the Ellender plan. Under the Talmadge bill, the grower would receive 35.65 cents a pound, or a little better than half a cent a pound more.

Under the Ellender plan, he has no option other than to reduce to 65 percent, or come in under the loan program at 28 cents a pound. But under the Talmadge plan, he can go up to 75 percent, curtailing only 25 percent, in which event he will receive about 34 cents for his cotton; or he can curtail only to 90 percent, the mandatory part, and receive between 29 and 30 cents. He has far more options. He would receive a better cash return the first year under the Talmadge plan than under the Ellender bill.

It is said that the Talmadge proposal does not write out specifically what the income of the farmer would be in the years succeeding the last 3 years. But I am persuaded, and I am sure that other Senators will be persuaded, that the Secretary of Agriculture will not permit the level of income of the cotton farmer to drop, and that he will order diversion payments sufficient to enable the cotton farmer to maintain his income.

Moreover, I call particular attention to two other facets of the farm legislation proposed by the Senator from Georgia [Mr. TALMADGE].

Under both the Ellender bill and the Talmadge bill, the small farmer with 10 acres is protected. His entire acreage is treated as domestic allotment. Under neither proposal is he forced to curtail production. Under both, he receives the full amount payable to one fully complying. He would receive, therefore, 35 cents under the Ellender plan, and 35.65 cents under the Talmadge plan.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. RUSSELL of South Carolina. May I have about 2 minutes more?

The PRESIDING OFFICER. Without objection, the Senator is recognized for 2 additional minutes.

Mr. RUSSELL of South Carolina. Therefore, I submit that the cotton producer has at least the same if not slightly improved rights under the Talmadge bill.

Let me mention two other things. Under the treatment of diverted acres provided in the Ellender bill, the farmer can produce anything that is not covered by a commodity program. He can begin producing soybeans.

At the present time soybeans constitute one of the most profitable of crops for our farmers. But if we were to convert all the diverted areas to the production of soybeans, we would create in soy-

beans exactly the same problem we have today with cotton. In solving one problem, we would have created a new one.

But as Senators will note, under the Talmadge plan, the converted acres can be used only to produce what the Secretary finds will not become a surplus crop. Therefore, there would be no production of soybeans.

A second feature: Under the Talmadge bill, one-half the diversion payment would be made to the farmer as soon as he signed up. He would receive the other 50 percent whenever there was evidence of performance. He would receive his diversion payments before he harvested his crop, at a time when he could use them to pay for his fertilizer and to finance the creation of his crop. That is a consideration of substantial value.

If we look at this bill from the standpoint of the cotton farmer, the cotton manufacturer, the cotton mill worker, and above all the taxpayer, this is a program which the Department estimates will cost three-quarters of a billion dollars less than the Ellender bill over the period of the life of the bill. I submit that however we match them, the Talmadge proposal represents the superior approach to the dilemma of cotton, and I earnestly and sincerely hope the Senate will approve the substitute submitted by the distinguished and able Senator from Georgia, to whom I pay particular tribute. I express gratitude both personally and on behalf of all centers of the textile industry and the cotton industry, for the fine contribution he has made to the solution of the problem that besets the cotton farmer, the cotton manufacturer, and the cotton world.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Missouri [Mr. SYMINGTON].

SENATE COMMITTEE COTTON PROVISIONS
CONSTRUCTIVE

Mr. SYMINGTON. Mr. President, the cotton provisions contained in the farm bill reported by the Senate Agriculture Committee are designed primarily to protect the income of cotton producers and to preserve and implement several previous determinations by the Congress that have worked well for both the entire cotton industry and the consuming public.

The bill would preserve the parity concept, which is the only realistic indicator of the relationship between what it costs to produce a crop and what that crop finally brings in the marketplace. The parity concept in a real sense measures the success or failure of farm programs and should be continued without question.

The farmer's right to produce his full allotment without penalty and with full eligibility for price supports would be preserved. This right to produce is basic to the maintenance of cotton farm income and the economies of cotton communities, as well as to the future well-being of the entire cotton industry.

The national minimum acreage allotment of 16 million acres would be preserved. Continuation of the minimum allotment is essential to convince foreign countries that we are not surrendering

our production base and that we will insist on our fair share of the world cotton market.

Under the bill, the present surplus would be reduced in an orderly manner. Cotton's role in the defensive strength of the United States and the free world would be maintained and there would be adequate reserves to provide a cushion against an unwarranted increase in consumer prices. The reduction would be accomplished through a voluntary reduction in farm acreage allotments and through increased export sales of our cotton.

Mr. President, as we all know, last year the distinguished Senator from Louisiana [Mr. ELLENDER] opposed, and warned the Senate about, too heavy a subsidy to the textile mills.

Most textile stocks in the past 3 or 4 years have at least doubled in value. I noted in the newspaper this morning that one of the world's greatest textile manufacturers, headed by a good friend, just made more money than it ever made before in its history.

There is a "choice" plan for the cotton producer which would permit him to plan his operations to suit his individual situation. The wide variations in land capability and farming conditions peculiar to the Cotton Belt require a "choice" program to sustain the income of individual producers and to insure fully adequate supplies of cotton at reasonable prices.

The bill would provide a 4-year program under which farmers could make long-range production decisions in the purchase of farm equipment, land formation and other capital investments while considering alternative land uses.

Implementation of section 203 of the Agricultural Act of 1956 would be assured. Our cotton would be made, and kept, competitive in world markets by authorizing and directing the Secretary of Agriculture to accept bids for cotton for export at prices in line with those quoted on the world market.

The principal weakness of the current program, which would be continued by the House-passed bill, is the requirement for a single-price system regardless of freight rate differentials between domestic and foreign points and fluctuating conditions in world markets that are in no way related to normal functions of the domestic market. It is quite clear that domestic and export pricing policies must be separated if we are to reestablish and maintain a workable pricing arrangement in the world market that would hold and increase markets for our cotton and keep costs to the Government within reasonable bounds.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 5 additional minutes to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, what I say has reference not only to cotton and agriculture. One of the saddest aspects of recent developments—economic, fiscal, and monetary—in the United States is a continuing loss of markets in many fields with respect to foreign trade. Naturally it is closely correlated with our continuing loss, for

the past 16 years, of gold bullion, on which the value of our currency is based.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SYMINGTON. Would the Senator let me finish my statement?

Mr. PASTORE. Will he answer a question on my time?

Mr. SYMINGTON. I shall be glad to do so, if the Senator will permit me to finish my statement.

The cost of the program would be reasonable in view of the importance of our cotton industry and the fact that much of our surplus has been created by not maintaining a "fair share" of the world market for our cotton.

The bill provides a payment in kind to the cotton trade for the benefit of domestic users of cotton which, when considered along with lower price levels to producers of the past 2 years, would keep cotton reasonably competitive with manmade fibers in the domestic market.

In summary, the bill would protect farm income and production levels, hold and expand markets, and protect the interests of the consuming public. Experience the past year shows that the cotton farmer and the taxpayer cannot afford a continuation of the so-called one-price system as provided by the House-passed bill. The American Cotton Producer Associates has prepared an analysis of the results of this system during its first year of operation.

ONE YEAR RESULTS OF ONE-PRICE COTTON
PROGRAM

Mr. President, first the analysis points out that cotton's share of the domestic fiber market dropped by more than a full percentage point to a record low of 54.5 percent. Even though domestic consumption of cotton increased by 500,000 bales, manmade fibers' share of the domestic fiber market climbed to a record high of 41 percent.

Second. The 500,000 bale increase in the domestic market cost the farmer \$12.50 per bale in price reductions on his total production, and cost the taxpayer an additional \$32.50 per bale in textile mill subsidies on every bale that went into domestic consumption. The combined cost to the farmer and to the taxpayer was \$45 per bale or a total cost of \$409,500,000. The average per-bale cost of the 500,000 bale increase amounted to \$819 per bale or about 6½ times the value of the cotton involved.

Third. Cotton farm income dropped from \$2,784 million in 1963 to \$2,546 million in 1964—a reduction of more than 8 percent even though the 1964 crop was equally as large as the 1963 crop.

Fourth. Textile mill margins increased almost 40 percent. The difference between cloth prices and cotton prices increased from an average of 26.19 cents in April 1964 to 36.49 cents in April 1965.

Fifth. Prices of cotton cloth increased in spite of the \$45 per bale reduction in the price of raw cotton. The value of cloth obtainable from a pound of cotton increased from 61.82 cents in April 1964 to 63.89 cents in April 1965.

Sixth. Cost of the program to the Government increased by the amount of the domestic mill subsidy.

Seventh. Exports of U.S. cotton dropped from 5.6 million bales in the previous year to 4 million bales. This is what I referred to a few moments ago with respect to foreign trade.

Eighth. Imports of cotton textiles into the United States for the first 5 months of 1965 were equivalent to 307,000 bales of cotton, up nearly 20 percent from the same months of the previous year.

Ninth. Considering the increase of 500,000 bales in domestic consumption and the decrease of 1.6 million bales in exports, the total off-take of cotton dropped 1.1 million bales.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield 1 more minute to the Senator from Missouri.

Mr. SYMINGTON. Tenth. The carry-over of cotton increased about 2 million bales to the second highest level in history.

It is for these reasons that I intend to vote for the cotton provisions as reported by the Senate Committee on Agriculture and Forestry. I would hope that these provisions will meet with the approval of the Senate and the conference committee.

Now I am glad to yield to my able and respected friend, the Senator from Rhode Island.

Mr. PASTORE. I have always had great admiration for my distinguished friend from Missouri and for his deep sense of good conscience and fairness.

First, as a prelude, none of us wants to do anything that would injure the cotton farmers of America. I would be the last to do so.

Does the Senator consider it to be morally right to sell to a foreign producer who competes in the American market with the domestic consumer? Does he think it morally correct to allow the foreign producer, who competes with the American producer in America, to buy the raw material that goes into that production at a cheaper price than the American farmer has to pay for it? Is it morally right to do so?

Mr. SYMINGTON. There is nobody who respects more the high moral character of the distinguished Senator from Rhode Island than the Senator from Missouri. But I do not believe this a question of morality.

The profits textile manufacturers have been netting have been steadily improving, to the point where they are now at alltime records. Although I cannot answer the question on the basis of morality, I would answer this way:

The income of the cotton farmers of Missouri, based on their acreage, has been driven down steadily for years. At the same time, the profits of textile manufacturers have gone up steadily, during the same years.

With that premise, I would think it is not a question of morality. Rather whether once more, on the floor of the Senate, we are to discriminate against people who live in the rural areas of the United States.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I understand there is a discussion.

Mr. PASTORE. If it is a discussion.

Mr. ELLENDER. The Senator from Rhode Island asked the question.

Mr. PASTORE. I asked the question, but I did not ask for a speech. I did not get the answer yet.

The PRESIDING OFFICER (Mr. PROX-MIRE in the chair). Who yields time?

Mr. ELLENDER. I yield 5 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I know that some phases of the Talmadge plan look good on paper, but from the viewpoint of the cotton farmer or cotton producer the trend of the plan is to take the whole program away from the producers and to put the emphasis and benefits in hands of other groups in our economy.

From the outset of the cotton program in the 1930's, the very concept or design of the plan was to protect those farmers who produce the raw material, the raw product, the essential product—cotton. It was on that basis that Congress, many years ago, felt justified in taxing the public, if necessary, to insure a continued flow of the raw product, cotton. The plan has been successful in that respect, and the basic cotton program should be kept on that basis now and hereafter.

However, a major objection to the Talmadge proposal is that it is a further encroachment upon acreage allotments. It will take more acreage away from the man who lives on the land. As I said yesterday, the cotton farmers of my State have already lost more than one-third of the cotton acreage that they had in 1950, just 15 short years ago. The acreage has been reduced one-third under requirements of the law in the last 15 years. That is like closing down one-third of the factories in some industrial area of the country, except that when a factory closes, frequently another one opens later on.

But when cotton acreage is reduced under the price support program, it leaves the farm and the community and never returns; it is gone forever. That has been the history of more than 30 years of this program.

Under the Talmadge amendment, that situation is made more certain because of the loose, open-end feature of the bill. After taking away 10 percent of the meager acreage that a 20-acre farmer may have, in order to qualify under the program, the other section of the proposal opens up unlimited, open-end production for the large producer, enabling him to produce thousands of bales if he so desires, on unlimited acreage. Of course, he will not receive any price support but he can have unlimited production year after year. That is an absolute guarantee that the removal of acreage, which hurts the little man so much, will never return to him or to the community. These steady acreage reductions are depopulating our communities. Acreage reductions cripple producers and gradually destroy the economy of the area including the great fertilizer dealers, machinery dealers, small merchants at the crossroads, the laborers, and every other business that is connected with the production of cotton.

Now I wish to say a word about the

small-farm feature. I have been amazed to listen to the argument about supporting this amendment as it will protect the little farmer. We who have been Members of the Senate for a long time know much of the history of this provision for the little farmer. I recall the time when the small farmer provision was defeated on a yea-and-nay vote by two votes.

The amendment, which I was sponsoring, merely afforded a little protection for the 5-acre farmer. The former Senator from Minnesota, Mr. HUMPHREY, now the Vice President of the United States, and the late former Senator from New York, Mr. Lehman, when they understood more clearly the purpose of my amendment, announced they would change their votes and would vote for a motion to reconsider the vote whereby the amendment was defeated. Thus, the first amendment protecting the acreage of the 5-acre farmer was written into law.

The distinguished Senator from Georgia [Mr. TALMADGE] has done much as a member of the Senate committee in years past to increase the limit to 10 acres, as it is today. I commend him for it. But that is no reason why this present amendment to this bill should be adopted.

I hope that the pending amendment will be rejected and that the provisions of the committee bill will be sustained.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield 5 minutes to me?

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Florida.

Mr. HOLLAND. I am not enthusiastic about either the committee bill as it refers to cotton, or the so-called Talmadge amendment. As between the two, I greatly prefer the committee's proposal, and I shall state briefly why I prefer it.

First, if we adopt the basis of production payments or compensatory payments for a large basic commodity like cotton, as proposed by the Talmadge amendment, we might as well forget about basing the whole price-support program on any idea of protecting and continuing private enterprise, or private initiative, because the program would become a dole or welfare program. Soon the whole program for agriculture would be converted to that basis.

The people of my State of Florida, who are most interested in agriculture, almost as one man, are opposed to compensatory payments. They feel that the beginning of such a system with reference to cotton would quickly spread to the other basic commodities and would have a destructive effect on the whole agricultural support program as we have known it.

I invite attention to the fact that this is only a part of the so-called discredited Brannan plan. I also invite attention to the fact that the amendment now at the desk proposed by the distinguished Senator from Maryland [Mr. BREWSTER] makes it clear that we are turning in the direction of the Brannan plan.

Mr. President, I ask unanimous consent that the proposed amendment to

section 707 be included in my remarks at this point. This shows that the trend toward making the cotton program a welfare program rather than one based upon business principles, and I cannot support it for that reason.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill add a new section as follows:

"SEC. 707. Notwithstanding any other provision of law, no producer shall be eligible for price-support loans or payments under any program or programs administered by the Department of Agriculture in any amount in excess of \$10,000 for any one year. The foregoing dollar limitation shall include the fair dollar value (as determined by the Secretary of Agriculture) of any payment in kind made to a producer."

Mr. HOLLAND. Mr. President, next, I invite attention to something I have not heard mentioned, and that is that the amendment proposed by the able Senator from Georgia and others, called the Talmadge amendment, not only approves, but I believe also encourages, a 50-percent increase in acreage in the most productive areas of cotton in the Nation, and particularly in the irrigated areas of the West, which are in this field of competition largely because Uncle Sam has expended countless millions of dollars to put them in business on an irrigated farm basis.

I believe that the pending amendment, if adopted, would be doing a disservice to the small producers in all of the Southeast and all the producers in the Southeast except in the delta regions—including all those States which have delta areas along the Mississippi River. I can see clearly that the amendment, if adopted, will surely increase greatly the irrigated acreage in the Far West, which produces from 3 bales per acre up, in many instances, of cotton, as against one bale or less than one bale in the hill areas of the South.

For that added reason, I oppose the pending amendment.

Next, I oppose the amendment for the reason mentioned by the distinguished Senator from Mississippi [Mr. STENNIS] a few moments ago. The committee bill includes arrangements to take care of the small farmer wherever he may be, in the East, West, far West, by providing that up to 10 acres of the production of any farmer who has an acreage of 10 acres or less shall be considered as exclusively devoted to the domestic field and is, therefore, entitled to the highest measure of price support.

I believe that is a much needed provision which is absent from the pending amendment, and I believe that the Senator from Mississippi [Mr. STENNIS] is eminently correct in pointing to that as one of the major reasons.

Mr. TALMADGE. Mr. President, will the Senator from Florida yield to me, on my own time?

The PRESIDING OFFICER (Mr. PROXMIER in the chair). Does the Senator from Florida yield to the Senator from Georgia?

Mr. HOLLAND. I do not have charge of the time—

Mr. TALMADGE. I should like the Senator from Florida to know that the 10-acre amendment is in my bill.

Mr. HOLLAND. I shall be glad to yield to the Senator from Georgia when I am through. The method followed by the distinguished Senator in his amendment takes care of small farmers easily through compensatory payments, to which I strongly object.

What I am saying now is that the Senator from Mississippi is eminently correct in his statement that the 10-acre devotion to support for the domestic allotment field is clearly stated in the committee bill, and I believe that it is a desirable feature.

I say also—and I do not believe my distinguished friend the Senator from Georgia will deny it—that his amendment would permit a 50-percent increase in acreage in the highly productive areas of the West, and I am against this amendment for that reason also.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. ELLENDER. Mr. President, I yield 2 additional minutes to the Senator from Florida.

The PRESIDING OFFICER. Without objection, the Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. The last reason why I oppose the pending amendment is that although I supported the measure which was adopted to come to the aid of the textile industry last year, I am completely disappointed in the results, because I have not seen any showing of gratitude on the part of the textile industry which was promised at that time, and which we fully expected.

To the contrary, that showing of gratitude has been wholly lacking, as so clearly shown by the senior Senator from Louisiana.

Now the textile industry says, "We demand the right to have the same price as the foreign processors," when the fact is that it is asking for a price approximately 3 cents per pound less than foreign producers, because it would get the cotton without the cost of transportation to foreign shores.

I am not too greatly impressed by the pleas of the fervent cotton planters from Maine, New Hampshire, Massachusetts, Rhode Island, and Connecticut who, of course, are pleading only the case of the textile manufacturers.

Mr. President, I believe that the committee provision is vastly to be preferred to the pending amendment, and for that reason I shall vote for it and against the pending amendment.

Mr. TOWER. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. I yield 1 minute to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

Mr. TOWER. Mr. President, if the committee version of the cotton section of this bill prevails, it is my opinion that the cotton industry as a whole will plunge speedily toward financial disaster—a disaster so severe that the industry may never recover.

Cotton problems are, of course, not partisan in nature. We have given consideration, time and again, to these problems, but the problems have not been solved.

Production costs are too high; research is too limited; marketing methods are too complex; Federal Government involvement is too great and too confusing. Our exports are down, and our surpluses continue to increase.

Mr. President, it is my opinion that it is essential any cotton legislation restore a market price system for cotton. We have here the opportunity to do just this.

Many millions of dollars in administrative expenses, storage costs and interest charges will be saved under the alternative proposal.

I wish to emphasize that I am confident the only way cotton can survive as a major industry in the face of foreign competition and of substitute fibers is to sell competitively. The American taxpayer cannot be expected to continue indefinitely to vote payments for ever-increasing stored surpluses.

After more than a century of growing cotton in this country, the industry is on the verge of being liquidated. It is a senseless loss and one the Nation can hardly afford. We have taught the world how to grow cotton, and they have taken over 70 percent of the business. We have forfeited completely our share in the growth of the world market to others while we stagnated. While everyone else increased production to meet demand, we reduced acreage as yields improved through the development of new farming techniques. When there was a world shortage in 1950, we let all the farmers benefit from the price increase except ours, on whom we imposed price ceilings. We must be the most experienced people on earth in building up Government surpluses and then finding cumbersome ways to dispose of them. All it takes is money. The first 10 postwar years were profitable for cotton, even for the taxpayer. But beginning with fiscal year 1956 through July 1964, the U.S. Department of Agriculture admits the cost of its cotton programs has been in excess of \$4.14 billion—and that is exclusive of interest, administrative costs and the cost of all the hearings, investigations, and other Government activity occasioned by its cotton programs. During that time, CCC had to take over unredeemed loans on over 32 million bales, and these represented 26 percent of our total cotton production. This year the trend is the same.

I think we well might note that in 1958 Congress passed adequate cotton legislation and that during the time when the congressional intent on its administration was followed, it worked satisfactorily. However, in early 1961, the Secretary of Agriculture increased the support price, thus increasing the export subsidy. Exports fell from an average of 6.9 million bales yearly to 4.1 million. The carryover rose from 7.1 million bales to 11 million bales and is still rising. We lost our competitive position in the world market.

The current cotton mess resulted because the Secretary of Agriculture un-

wisely exercised his discretionary power to set price supports at a higher percentage of parity.

Past decisions and actions, which now seem impossibly unwise, have brought the cotton industry in this country far beyond the point where it can be saved by anything less than an immediate reduction to the competitive world price, under a program that is convincingly permanent.

What is needed is a loan at the world-price level. Such a loan would permit our export business to resume its past high levels. Such a loan would enable U.S. mills to obtain cotton at the same price foreign mills do.

To bridge the gap between the world level and the price necessary to preserve a solvent producer, the equalization payment must be made for several years to the producer, as cotton gradually re-enters normal channels of trade and progressively retains its competitive status in the world. No arbitrary ceiling or limits could be placed on the amount of equalization payment.

If the loan is placed at or near the world market price, the cotton trade and the consumer can stock cotton. Furthermore, instead of being bought on a hand-to-mouth basis, as has been the practice in recent years, the cotton will move into market consumption.

Many millions of dollars in Government administrative expenses, storage costs and interest charges will be saved. The farmer will benefit from income protection while he is assisted by additional research projects to become competitive.

I think it is obvious that the Government loan was not intended to be a market for cotton, but only a marketing device. So long as the loan remains above the market price, it will attract into storage cotton that should be going into consumption.

So long as the export subsidy is maintained, some other subsidy will be necessary to achieve a one-price system at the mills.

In brief, Mr. President, cotton must be made permanently competitive by implementation of a convincing U.S. program aimed at restoring confidence of both domestic and foreign purchasers of our cotton. Farmers' income must be protected, but by a single payment, not by a five-sided monster. Congress must move cotton toward lesser Federal regulation, a goal that cannot be achieved by adding more subsidies and more acreage allotments.

If this committee bill goes through, it means simply that the support price next year will be 1 cent cheaper than now; and there will be a 3-cent domestic subsidy instead of the present subsidy.

The farmer will receive less for his cotton, and the mill will pay more. The Government will pay less subsidy but will have to pay more for the lands that are idled and for the cotton that is not grown.

Caught in the middle will be the ginners without cotton to gin, the banks without cotton to finance, the merchants without cotton to buy and sell, and the areas where cotton is dropped and where

all the diverse business interests will suffer.

It would end the one-price system for cotton that is presently employed and return to the program of 2 years ago with just new frills added. It appears that it would consequently and necessarily mean another trend toward use of less cotton by domestic mills.

Last year Congress took a short step toward a new day for cotton by acting to restore a one-price system. Last year's plan could have operated to move cotton into markets rather than into surplus storage; it could have allowed the private enterprise marketplace to operate with renewed vigor.

But bypassing the intent of Congress, the Secretary of Agriculture made a basic mistake. He chose not to administer the 1964 Cotton Act so as to reduce surpluses and to encourage free enterprise. Instead he administered it in a way which increased Government interference and increased taxpayer costs.

This year, the Secretary's mistake became abundantly clear. Cotton's problems are worse, not better. So this year the administration joined in a serious attempt to establish and preserve a one-price plan for cotton. The House of Representatives approved that plan in its farm bill.

Unfortunately, the Senate Agriculture Committee threw out the wisdom of the House and ignored the lessons of the past. The committee reported to the Senate a two-price proposal which would give the farmer less for his cotton, make the mills pay more for it, and increase cotton costs so that competition in the marketplace would be virtually impossible.

For that powerful reason, I support the Talmadge amendment and urge its adoption. I do not expect this year's cotton regulations to be a final answer.

But, I do know we must get the cotton industry moving on the right track, not into Government storage, to stand and often rot, but moving into the market at competitive prices.

The hour is late for cotton. Long years of governmental mistakes have taken their toll. I hope we can find our way this year onto the right track, because if we stay on the old track—cotton is doomed.

The cotton industry is at the crossroads. The issue is a simple one. It boils down to one question. Do we return to the two-price system under which the American cotton industry suffered tremendous market losses, or do we continue one-price cotton which has breathed new life into our domestic market.

The basic purpose of a competitive one-price system for cotton was to check cotton's losses to other fibers in the domestic manufacturing of textiles and to permit American mills to compete with foreign mills on equal footing, insofar as raw cotton costs are concerned. The effect of a two-price system on cotton's competition with rayon and non-cellulosic fibers is clearly shown by the fact that cotton's share of the market dropped almost 10 percent from the first

quarter of 1961 to the first quarter of 1964. This was just prior to the enactment of the one-price cotton legislation. Rayon and noncellulosic fibers gained by this much at the expense of cotton. One-price cotton was made effective with the Agriculture Act of 1964 on April 11, 1964. From the first quarter of 1964 to the first quarter of 1965, which represents the first year under a one-price system, cotton's share of the market dropped by only four one-hundredths of 1 percent. Stated another way, the terrific inroads which synthetics were making on cotton's market were brought to an abrupt halt with the institution of one-price cotton.

What is the significance of this record of fiber consumption? During the whole period from 1961 to the present, the total consumption of cotton and synthetic fibers was rising. Thus, the textile industry was experiencing a period of growth. The big question is which fibers shared the most in this growth. The answer is clearly synthetic fibers. Cotton actually suffered a heavy loss relative to synthetic fibers. Thus, it is the raw cotton industry which has the greatest stake in seeing that one-price cotton is continued. This means cotton farmers, cotton ginners, and others engaged in the business of handling and marketing raw cotton. These are the people whose incomes are almost solely dependent on a healthy cotton economy. It is clear that the textile industry is not dependent solely on cotton. This has been demonstrated by the substantial shift away from cotton to synthetics during the last 3 years of the two-price system. As one who represents cotton farmers, cotton ginners, and others engaged in handling and marketing raw cotton, I want to see one-price cotton continue. I am unalterably opposed to a return to a two-price system.

Mr. President, let me add further that I believe the basic issue is the viability of cotton as a competitive, high demand fiber. I believe that the issue is the viability of the cotton industry in the United States. I am convinced that the only way we can keep the cotton industry alive is to move cotton into free market at competitive prices.

The one-price cotton system is designed to do this.

I am a supporter of the views of the Senator from Georgia [Mr. TALMADGE]. I intend to vote for his amendment, and I hope that it will be adopted.

Mr. President, I do not believe that the Talmadge amendment is a panacea. I do not believe that it is the best program in the world. I know that the sponsor himself feels that perhaps there are some things in it which could be improved upon.

We all recognize that legislation is, after all, the art of the possible. We feel that this is the best possible provision we can get through Congress at this time.

Therefore, for the sake of the life of the cotton industry, and for the sake of not diminishing but improving the position of cotton as a competitive fiber as one of the great crops produced in this

country, I believe that we should support the Talmadge amendment. I fervently hope that it will be adopted.

The PRESIDING OFFICER. Time still remains equally divided on both sides between the Senator from Georgia [Mr. TALMADGE] and the Senator from Louisiana [Mr. ELLENDER]. Who yields time?

Mr. TALMADGE. Mr. President, is the Senator from Louisiana prepared to yield back the remainder of his time?

Mr. ELLENDER. No; I am not ready yet. I have yielded time to many Senators, and others will follow.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

Mr. ERVIN. Mr. President, will the Senator from Georgia yield?

Mr. TALMADGE. Mr. President, I yield 2 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 2 minutes.

Mr. ERVIN. Mr. President, I am convinced that the only way to help the American cotton grower is by a bill which establishes a one-price cotton market and which does economic justice to the American textile manufacturer, regardless of whether that manufacturer is in Maine, Rhode Island, Massachusetts, Connecticut, North Carolina, South Carolina, Georgia, or elsewhere.

I say this because the American textile industry is the biggest customer the American cotton grower has. If the American cotton grower is to have the benefit of a market on which he can sell his products most easily, it is essential that Congress render economic justice to the textile manufacturer.

Mr. President, that is the purpose of the Talmadge amendment. For that reason, and because it would undertake to establish free trade, both domestic and foreign, I shall support his amendment.

Mr. PASTORE. Mr. President, will the Senator from North Carolina yield at that point?

Mr. ERVIN. I am glad to yield.

Mr. PASTORE. I should like to read into the RECORD a statement made by the National Cotton Council on the very point which is being developed by my good friend, the Senator from North Carolina.

It reads as follows:

The committee bill—

Referring to the bill as reported—would turn back the clock to a system which has failed and which would destroy the American raw cotton industry.

That is from the National Cotton Council.

Mr. ERVIN. I thank the Senator from Rhode Island for his contribution, and also the Senator from Georgia for yielding to me at this time.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, I covered the cotton proposal at length yesterday. It is my contention that this bill should be a producer's bill and not a textile mill bill. If the textile mills desire protection, they should go to the proper committees of the Senate and the House.

Mr. President, an article entitled, "J. P. Stevens Sets Earnings Record" appears in the New York Times of today. This earnings record was made possible by the so-called one-price system.

I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

J. P. STEVENS SETS EARNINGS RECORD—TEXTILE PRODUCER REPORTS HIGHEST SALES AND PROFIT IN ITS 151-YEAR HISTORY

J. P. Stevens & Co., Inc., the Nation's second largest publicly owned textile producer, achieved the highest sales and earnings in its 151-year history in the 3 and 9 months ended July 31, according to a report issued yesterday by the company.

Its consolidated net earnings for the third fiscal quarter ended with July rose to \$6,460,502 from \$4,355,861 in the corresponding 3 months last year. The earnings were equal to \$1.24 a share, compared with 83 cents a share a year earlier, adjusted for a 10-percent stock dividend declared last October.

J. P. Stevens, which ranks behind Burlington Industries as a textile producer, reported consolidated net sales of \$185,236,075, compared with \$171,121,008 for the third fiscal quarter last year. This brought to \$538,674,403 its volume for the 9 months ended July 31, compared with sales of \$479,882,902 in the corresponding three-quarter period a year earlier.

The company's net income for the 9 months climbed to \$18,394,486, or \$3.52 a share, from \$10,631,257, or \$2.04 a share, on the adjusted basis for the 9 months ended August 1, 1964. Federal and State income taxes totaled \$17,377,000, while a year earlier the tax bill was \$9,369,000.

Mr. ELLENDER. Mr. President, another article appeared in the Wall Street Journal on February 10, 1965, headlining that domestic mills in 1964 had one of the best years since the early 1950's with the help of the cotton bill enacted in 1964. I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

TEXTILES GET BRIGHTER—MILLS IN 1964 HAD ONE OF BEST YEARS SINCE EARLY FIFTIES, WITH HELP OF COTTON BILL; PROFIT GAINS SPUR STOCKS

(By Ted Stanton)

Textile mills in 1964 had one of their best years since the early 1950's, helped considerably by the cotton program that President Johnson in his farm message said should be extended and improved.

Expansion, diversification, and modernization, all fueled by soaring earnings, are bringing a luster to textile company stocks that reflects the industry's brighter image.

The provision of the law that has been a major factor in the textile mills' gain permits them, in effect, to buy U.S. cotton at the same price foreign mills pay. It has provided for payment of 6½ cents for each pound of cot-

ton domestic textile firms use. That's roughly the difference between the world price of about 23½ cents a pound and the higher domestic support price for last year's crop. Mills formerly had to pay the higher price.

Mill executives are generally optimistic about this year's operations, too. Their confidence stems from the industry's overall firmness, and also from widespread expectations that Congress will vote to extend the one-price program, with, at most, minor revisions. The present law expired in mid-1966.

The table below marks the rise of some leading mills' stocks from the bottom of the market slump in 1962 to yesterday's closing price. Many have outpaced the broad market advance; some have almost doubled, and shares of Burlington Industries, Inc., biggest concern in the industry, are up even more. Prices are New York Stock Exchange closing quotations, with those of J. P. Stevens & Co. adjusted for two 10-percent stock dividends.

June 26

	1962	Now	Gain (percent)
Burlington Industries..	18⅞	66¼	250
J. P. Stevens.....	24	47½	98
United Merchants- Manufacturers.....	18¼	27½	50
M. Lowenstein & Sons..	8¾	17	94
Cone Mills.....	12½	24½	103
Dan River Mills.....	12¾	24¼	90
Dow-Jones Industrials..	535.76	901.24	68

The substantial earnings gains that are a prime force in these rises seem likely to continue into the summer at least. Industry profits in the first 9 months last year rose 38 percent from those of a year earlier, the Securities and Exchange Commission said. Third quarter profits were up 60 percent three times the 18-percent gain reported for all manufacturers. An analyst close to the industry calls the outlook better than in Lord knows how long.

The Nation's economic boom has carried the textile firms with it. "Tastes," says one executive, "have been upgraded. Now the consumer wants nicer clothing, better furnishings. The worker has swapped his blue collar for 10 different sports shirts. And we make more money on the better quality goods."

Because of changes in the industry in the past few years, the companies have been in a relatively good position to make the most of their opportunities. Some key factors, by industry consensus, are rising spending for new plants and equipment, increasingly skillful management, and the big push from the cotton legislation.

Besides lowering the price mills pay for cotton, the bill also dispelled the uncertainties that had been adversely affecting our market in 1963 and earlier, according to Ceasar Cone, president of Cone Mills Corp.

EARNINGS, SALES SPURTS

Company earnings and sales graphically demonstrate the strength of the industry. Burlington's profit in its 53-week fiscal year ended October 3, jumped 25 percent to \$50,800,000, or \$4.15 a share, from the 52-week fiscal 1963. Sales climbed 11 percent to \$1,206,393,765. In the current year's first quarter, Burlington's net soared 47.4 percent above the year earlier pace and sales were up 13.2 percent. J. P. Stevens' profit in the year to October 31 climbed 27.3 percent from fiscal 1963 to \$17,685,000, or \$3.73 a share, and sales were up 12.3 percent to \$684,860,013.

United Merchants & Manufacturers, whose diversified operations include the Robert Hall clothing store chain, earned \$14,119,000, or \$2.35 a share, in the year ended June 30,

up 30.6 percent from fiscal 1963. Its profit in the first half of this fiscal year jumped 40 percent from the fiscal 1964 level to \$9,415,000, or \$1.57 a share. In all fiscal 1963 the company's earnings had declined 3 percent to \$10,810,000, or \$1.80 a share.

Kendall Co. recently said 1964 earnings jumped 23.5 percent from 1963 to \$7,196,000, or \$3.42 a share, while sales were up 7.1 percent to \$149,405,000. It ascribed the gain in part to lower raw material costs and lower income taxes. The company also proposed a 3-for-2 stock split and said it planned to boost the quarterly dividend to the equivalent of 37½ cents on present shares from the current 34-cent rate.

Cone Mills 9-month profit in 1964 more than doubled and net of Dan River Mills, Inc., rose 27 percent in the period. And both companies in recent months have lifted their quarterly dividend to 25 cents from 20 cents.

Industry earnings have shown strong trends before, of course. The following figures illustrate the severe fluctuations textile producers have experienced. These industry profit totals, in millions, were calculated by the SEC:

1958-----	\$218
1959-----	416
1960-----	329
1961-----	280
1962-----	354
1963-----	354

Many close to the textile situation, however, contend progress has been made toward curbing such gyrations. They note the streamlining of management and equipment plus better inventory control, and cite growing use of man-made fibers as another stabilizing influence. Total fiber use in the 5 years through 1960 averaged 6.4 billion pounds annually, of which 27 percent was in man-made fibers. Last year synthetics accounted for a third of the total.

Observes Edward Goldberger, secretary-treasurer of M. Lowenstein & Sons, Inc.: "Up until a few years ago, the industry would expand and produce like the devil in good times, until it was suddenly ahead of demand. Then it would let things taper off. The results were sharp swings in earnings. I think there's been some leveling of this in the past few years and more is probable."

BIGGER AND BROADER

The continuing move toward larger, broader companies that began after World War II has helped bolster the industry's corporate structure, some textile people say. A congressional panel noted that 838 textile firms closed between 1947 and 1950; 110 others were acquired from 1958 through 1961.

Many family-owned, smaller firms have either disappeared or been swallowed by larger ones. A sign of the change: The 10 largest companies in the field had about 13 percent of total sales in 1950. In 1964 they had close to 25 percent. Sales of such giants as Burlington and Stevens are continuing to climb.

Capital spending programs, bringing more automation and hefty operating efficiencies, have soared in the past 4 years. Total mill outlays last year are estimated at almost \$750 million, 50 percent above the \$500 million of 1961. Outlays by all manufacturing firms in the same period are up only about a third. And preliminary estimates for textile spending this year call for another increase. Burlington, for example, expects its spending this year to rise to \$80 million from \$66 million last year.

A Government study describes some results: "Broad-scale introduction of textile machinery that operates at higher speeds, requires less maintenance and has devices such as electronic stop motion units that increase total efficiency and maintain quality."

Charles F. Myers, Jr., Burlington president, ascribes part of the spending boost to the emergence of larger, stronger companies in the industry. "These firms are better able to finance investment required for expansion

and new technology. They can put capital equipment into plants that couldn't afford it themselves," he says.

The spending torrent has helped lift productivity while allowing mills to hold down employment. Federal figures show industry employment fell an average 1.7 percent in the 5 years through 1962 while output rose an average 3.6 percent yearly. Job rolls now are a slim 0.5 percent above 1962's, while the production index is up 12 percent more.

The one-price bill has spurred the heavy capital outlays, and enhanced the industry's general health. Industry and Government officials had contended, in advocating it, that the bill would enable domestic mills to compete more equitably with foreign firms, while increasing U.S. cotton consumption. In general, these proponents now say, it has worked well.

Cotton usage jumped sharply last year, to 9.6 billion bales from 8.5 billion in 1963, and mill profits spurted, they note. In addition, textile workers received a pay rise last year that may have been due at least in part to the mills' greater prosperity, they say.

Frank Lowenstein, an Agriculture Department economist, similarly notes the bill's benefits, but adds it may still be "too early to judge" the legislation's success. "When there is a whopping price change such as the bill provided, it sometimes takes 2 or 3 years or more for the effects to work down through the marketing system," he says.

When the bill took effect April 11, prices of cotton cloth slipped briefly. But then buyers, who had been holding off awaiting the bill's passage, began to pour their orders in, and prices edged up. Because of the rush, some mills early last fall had cotton goods output booked through this year's second quarter to a much greater degree than in several years. And prices generally held firm.

SOME EXECUTIVE CONCERNS

Some mill executives fret that if Congress delays acting on extension of the bill, the uncertainty of which Mr. Cone spoke could return. Adding to their concern: In his farm message President Johnson said he would offer specific proposals to reduce the cost of this program and the level of cotton stocks. Administration sources indicate, however, that a radical overhaul of the cotton pricing program isn't likely.

In urging passage of the bill last year, industry and Government spokesmen suggested consumer prices would be cut, too. While prices of corduroy, denim, and some other goods have fallen, the widely used print cloths are generally above last April's levels, and critics of the bill cite this often. "They promised savings would be passed through, but on too many goods it just hasn't happened," says Max Milstein, House Dress Institute counsel. Commenting on mill earnings gains, he adds wryly, "I'd be more prosperous, too, if the Government would hand me a present of millions of dollars."

Senator Aiken, Republican, of Vermont, senior Republican on the Senate Agricultural Committee and a foe of the bill last year, sees a need for legislation to allow the mills to compete on an equal basis with foreign mills. But he believes the mills should prove their need for the present program in light of their earnings of the past 12 months.

Mr. Lowenstein of the Agriculture Department adds that the high level of capital expenditures may ultimately help bring the lower consumer prices the bill's opponents have urged.

The wage rise southern textile workers won last year may soon be followed by another for those in the North. The union has announced plans to seek a 15-percent wage increase, a pension plan, and fringe benefit gains for its northern members when it reopens its contract this spring.

George Perrell, Textile Workers Union research chief, noted the union endorsed the one-price bill last year but will await results of the wage negotiations before taking a

stand this year. Last year's pay boost, he adds, "was advertised as 5 percent, but often worked out to less. The firms could have given us 25 percent across the board and still had 55 percent of the pricing bill's savings left."

Though the law's impact on earnings has been sharp for many textile companies, for others it has been negligible. Collins & Alkman, Inc., for example, which uses synthetic fibers mainly, notes cotton goods account for so little of the firm's output that "we'll hardly feel the law at all."

IMPROVING PROFIT MARGINS

Along with other favorable factors, nevertheless, the new law has helped to lift the industry's traditionally low profit margins. Some gains have already been posted. More are expected.

The SEC figures industry profit margins for 1963 at an average 2.3 percent, off from 2.47 percent in 1962. But for the first 9 months of 1964, profit as a percentage of sales was 2.9 percent, and for the third quarter alone it was 3.7 percent, the SEC reported. Here are some of the latest samples of profit after taxes as a percentage of sales, compared with year-earlier levels: In the year ended October 3, Burlington's was 4.2 percent, up from 3.7 percent; in the 9 months to September 30, Lowenstein's was 2.4 percent, up from 0.8 percent; Cone Mills, 3.3 percent and 1.5 percent, and Dan River, 4.2 percent and 3.4 percent, both for the 9 months.

Prime reasons for the rise: The pricing bill, last year's tax cut, benefits of efficient new equipment, and sales gains that almost certainly pushed industry volume above 1963's record \$15 billion. Nine month sales, the SEC said, jumped 7 percent from 1963.

Another trend reflecting the health of the industry is the apparent reduction in unit labor costs. Official statistics aren't available, but one company executive notes that "figuring employment against either total sales dollars or production would show a decline in labor costs."

The Textile Workers' Mr. Perrell says industry output per man-hour has climbed an average 5 percent annually in recent years while wages have gone up 2 percent a year on average, even with last year's rise. Fringe benefits, the union official contends, "have gone up only slightly."

A prime problem still facing the industry, executives and analysts agree, is the continuing competitive pressure of imports. Mills making woollens and worsteds, in which imports aren't regulated, have been hit hardest. The cotton goods inflow has been contained somewhat through an international agreement that took effect in 1962. A similar accord on woollens is desired by many in the industry.

Under the cotton pact, the flow of imports will rise gradually. "But," notes one executive, "it helps us because it provides for more orderly marketing procedures, allowing for more reasonable planning and production. In the past, we might be flooded by one item one year and then, after gearing to meet that competition, get flooded by another next year. Now we know in advance how much of each item is coming in and this creates some stability that previously was lacking."

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD two tabulations. One is entitled "Unfinished Cloth Prices, Cotton Prices, and Mill Margins, July 1963, 1964, and 1965." The other tabulation is entitled "Bureau of Labor Statistics—Wholesale Prices Indexes for Selected Cotton Items—1957–1959 Equals 100—July 1963, 1964, and 1965."

There being no objection, the tabulations were ordered to be printed in the RECORD, as follows:

Unfinished cloth prices, cotton prices, and mill margins, July 1963, 1964, and 1965

[In cents]

Cloth	Cloth prices ¹			Cotton prices ²			Mill margins ³		
	July 1963	July 1964	July 1965	July 1963	July 1964	July 1965 ⁴	July 1963	July 1964	July 1965
20 constructions average.....	60.28	60.95	65.30	35.57	35.60	27.33	24.71	25.09	37.97
Print cloth:									
Average (6).....	66.98	68.11	80.77	36.33	36.51	28.28	30.65	31.60	52.49
38½ inch, 44 by 36, 8.60.....	69.48	72.41	90.71	36.33	36.51	28.28	33.15	35.90	62.43
38½ inch, 64 by 60, 5.35.....	67.20	66.00	81.60	36.33	36.51	28.28	30.87	29.49	53.32
39 inch, 68 by 72, 4.75.....	67.10	67.10	79.88	36.33	36.51	28.28	30.77	30.59	51.60
39 inch, 80 by 80, 4.00.....	66.88	65.98	73.60	36.33	36.51	28.28	30.55	29.47	45.32
45 inch, 60 by 48, 5.35.....	65.71	69.02	77.90	36.33	36.51	28.28	29.38	32.51	49.62
45 inch, 64 by 56, 4.75.....	65.52	68.16	80.94	36.33	36.51	28.28	29.19	31.65	52.66
Carded broadcloth:									
Average (2).....	63.55	65.73	70.94	36.83	36.97	28.78	26.72	26.19	42.16
37 inch, 100 by 58, 4.00.....	63.29	66.88	66.50	36.83	36.97	28.78	26.46	26.56	37.72
41 inch, 78 by 56, 4.57.....	63.80	64.58	75.37	36.83	36.97	28.78	26.97	25.81	46.59
Sheetings:									
Average (4).....	56.92	58.10	58.66	35.14	35.09	26.76	21.78	23.01	31.90
40 inch, 48 by 48, 2.85.....	55.95	58.75	56.25	35.14	35.09	26.76	20.81	23.66	29.49
40 inch, 48 by 44, 3.75.....	56.10	57.35	55.14	35.14	35.09	26.76	20.96	22.26	30.99
40 inch, 56 by 48, 4.30.....	59.54	59.54	65.21	35.14	35.09	26.76	24.40	24.45	38.45
40½ inch, 42 by 44, 3.00.....	56.10	56.76	55.44	35.14	35.09	26.76	20.96	21.67	28.68
Drills:									
Average (2).....	54.28	54.30	53.80	35.36	35.29	26.99	18.92	19.01	26.81
40 inch, 68 by 40, 2.55.....	55.13	53.66	53.96	35.36	35.29	26.99	19.77	18.37	26.97
39½ inch, 72 by 60, 1.96.....	53.42	54.93	53.63	35.36	35.29	26.99	18.06	19.64	26.64
Twills:									
Average (3).....	56.06	56.34	55.79	35.82	35.80	27.66	20.24	20.54	28.13
39 inch, 68 by 80, 3.00.....	60.95	61.61	61.96	35.82	35.80	27.66	25.13	25.81	34.30
44 inch, 88 by 42, 1.72.....	51.88	52.06	50.54	35.82	35.80	27.66	16.06	16.26	22.88
44 inch, 88 by 42, 2.01.....	55.34	55.34	54.87	35.82	35.80	27.66	19.52	19.54	27.21
Osnaburg:									
40 inch, 40 by 26, 2.11.....	45.54	44.75	44.21	32.64	32.28	24.07	12.90	12.47	20.14
Ducks:									
Average (2).....	63.34	62.02	62.87	34.21	34.21	25.66	29.13	27.81	37.21
8 ounce, S.F. grade A.....	59.07	57.28	57.28	34.21	34.21	25.66	24.86	23.07	31.62
8 ounce Army.....	67.60	66.76	68.45	34.21	34.21	25.66	33.39	32.55	42.79

¹ The estimated value of cloth obtainable from a pound of cotton with adjustments for salable waste.

² Monthly average prices of cotton used in each kind of cloth for 4 territory growths, even-running lots, prompt shipment, delivered at group 201 (group B) mill points, including landing costs and brokerage.

³ Difference between cloth prices and prices for the average qualities of cotton used in the 20 constructions.

⁴ Prices are for cotton after equalization payments of 6.5 cents per pound, which became effective Apr. 11, 1964.

Source: Cotton price statistics, Consumer and Marketing Service.

Bureau of Labor Statistics—Wholesale prices indexes for selected cotton items (1957=59=100), July 1963, 1964, 1965 ¹

Item	July 1963	July 1964	July 1965
Raw cotton, spot market.....	98.7	96.9	91.0
Cotton products.....	99.8	98.3	100.3
Cotton yarns.....	97.5	93.0	93.6
Carded, W, 10/1.....	96.7	92.2	91.6
Carded, W, 20/2.....	96.0	91.7	94.6
Carded, K, 20/1.....	97.4	91.5	92.1
Carded, K, 30/1.....	97.3	92.8	93.7
Combed, W, 40/2.....	97.9	95.2	95.4
Combed, K, 36/2.....	98.1	94.8	95.7
Combed, K, 30/1.....	96.6	92.2	91.6
Finished broad woven.....	96.8	95.3	96.8
Fabrics except mill finish.....	105.7	107.7	115.9
Percal, 64 x 60.....	103.5	102.2	107.1
Broadcloth, combed.....	82.8	81.8	83.5
Twill, combed, 36 inch.....	100.9	97.0	97.0
Shirting, combed.....	98.7	94.9	94.0
Corduroy, carded.....	101.7	97.6	93.2
Twill, carded, uniform.....	98.1	93.0	91.9
Sateen, carded, W & W ²	88.7	89.7	88.2
Cotton broadwoven.....	102.0	99.9	104.5
Grey fabrics:			
Sheeting, class A.....	107.7	113.2	109.5
Sheeting, class B, 3.75 lb./yd.....	104.1	104.0	107.1
Sheeting, class C.....	102.6	108.1	108.0
Osnaburg.....	111.0	107.7	109.9
Industrial sheeting.....	96.5	92.4	97.5
Drill.....	106.1	107.1	107.1
Twill carded 4 leaf.....	101.6	98.6	99.4
Tobacco cloth.....	101.6	98.1	103.8
Print cloth, 78 x 72 ²	80.4	77.2	88.0
Print cloth, 68 x 72.....	98.7	99.1	117.9
Broadcloth carded 98x56.....	97.8	100.4	103.8
Broadcloth carded 78x54.....	98.3	98.3	119.3
Window shade cloth.....	103.7	96.4	101.6
Lawn, combed, 40 inch.....	90.3	86.6	118.8
Broadcloth, combed 47 inch.....	91.9	92.3	101.8

Bureau of Labor Statistics—Wholesale prices indexes for selected cotton items (1957=59=100), July 1963, 1964, 1965 ¹—Con.

Item	July 1963	July 1964	July 1965
Cotton broadwoven—Con.			
Grey fabrics—Con.			
Sateen, combed ²	96.9	82.8	85.9
Barkcloth.....	98.6	106.7	106.7
Denim, millfinisbed.....	105.2	101.5	95.9
Bedticking, millfinisbed.....	106.2	105.0	108.8
Gingham combed, millfinisbed.....	97.8	93.4	94.2
Outing flannel, millfinisbed.....	100.5	101.0	98.1
Canton flannel, millfinisbed.....	109.4	102.6	105.5
Flatduck.....	110.9	105.8	105.8
Armyduck.....	104.3	101.2	103.8
Numbered duck.....	113.9	110.9	110.9
Zipper tape.....	82.5	82.5	83.9
Thread, home use, size 40.....	131.8	117.2	125.2
Thread, industrial, size 70.....	104.4	105.0	105.0
Thread, industrial, size 40.....	101.8	101.8	101.8
Cotton, house furnishings.....	102.3	103.4	102.8
Sheets, type 128.....	103.6	105.3	105.3
Sheets, type 180 ²	104.7	106.8	106.8
Pillowcases.....	107.4	110.9	110.9
Towels.....	99.1	99.1	97.9
Towelings.....	107.0	107.8	104.4
Blanket.....	103.5	104.5	104.4
Bedspread, jacquard weave.....	97.7	97.7	97.7
Cotton apparel.....	102.2	103.3	103.7
Housedresses, women's.....	101.4	101.4	101.4
Nightgown, women's.....	101.7	101.7	101.7
Hosiery, women's.....	99.0	99.0	99.0
Shirt, men's, pop. quality.....	103.4	104.2	103.4
Work trousers, men's twill.....	102.9	103.1	103.0
T-shirt, men's, knit.....	104.1	104.3	104.2
Polo shirt, men's.....	98.9	100.0	100.0
Shirt, boy's.....	113.0	114.6	114.8
Dungarees, boy's.....	105.8	106.1	104.6
Polo shirt, boy's.....	132.7	132.7	133.5

Bureau of Labor Statistics—Wholesale prices indexes for selected cotton items (1957=59=100), July 1963, 1964, 1965 ¹—Con.

Item	July 1963	July 1964	July 1965
Cotton apparel—Con.			
Dress, girls', pop. quality.....	99.7	99.7	99.7
Dress, girls', medium quality.....	104.8	104.8	104.8
Blouse, girls'.....	100.0	100.0	100.0
Slip, girls'.....	101.5	101.5	101.5
Sleeping garment, children's.....	113.4	118.4	117.8
Hosiery, children's.....	96.1	96.1	96.1

¹ Compiled from BLS data.

² ERS. E. & SAD.

Mr. ELLENDER. Mr. President, these tabulations indicate that, notwithstanding the fact that there is a one-price system, cotton goods prices have not gone down.

I shall not take time to explain all this material.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ELLENDER. On the opposition time.

Mr. PASTORE. Mr. President, if the Senator will grant me the time, or, even on our own time, I ask the Senator how he accounts for the fact that scores of mills have closed down in Rhode Island in the past 10 years. If this picture is so rosy, how does the Senator account

for the half a million mill workers who are walking the streets today and applying to the antipoverty program? How about the mills that have closed down all over the country, to the tune of 1,000 mills in 10 years, while some farmers have been riding around in air-conditioned Cadillacs?

Mr. ELLENDER. The answer is very simple. The cotton mills of the Northeast were probably constructed in the year one. They are antiques. This is the same condition which existed in my own State, in regard to the production of sugar, as I stated yesterday. In my own parish there were eight mills to grind the cane produced in that parish. Today there are two. They are of the modern kind. That is what is lacking in Rhode Island, Maine, and in other sections of the United States.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ELLENDER. The Federal Government is making a tax subsidy and a cotton subsidy available to those cotton mills so that they can be rebuilt. That is the entire story. That is what has happened since the bill was put into effect.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. ELLENDER. On the opposition time.

Mr. PASTORE. Has the Senator visited Rhode Island to see the modernity of our mills?

Mr. ELLENDER. Mr. President, I know that not all of them are new. The mills which are closed are the ones which were built in the year one.

Mr. PASTORE. They are not as new as the ones that have been built in Japan with foreign aid money. Of course they are not, but, they are new enough.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I am not yielding on my time.

Mr. President, the duty of the Committee on Agriculture and Forestry is plain. Its duty is to protect the producers of agricultural commodities. The purpose of the bill is designed not only to keep the cotton producers in business, but also the producers of other commodities such as wheat, rice, and wool.

Mr. President, under the logic of the amendment the wheat millers would have the right to ask for a subsidy, as the cotton mills have done, because wheat millers must pay the equivalent of 75 cents a bushel more for the wheat to produce flour than the cost of wheat sold abroad.

As I have indicated on many occasions, the cotton mills of the United States cannot compete with the mills abroad. Therefore, we have afforded them protection through tariffs. It is true that tariffs may not be high enough. However, I point out that 96 percent of the production of the mills of this country is sold on the best market in the world, and that is the American market.

I realize that the textile mills of the Northeast cannot compete with those of Japan because of lower labor costs there. No effort is made on the part of any of our textile mills to compete abroad with

the manufactured products of other countries, because that cannot be done.

Mr. President, I have labored with agricultural problems for almost 30 years. Since 1937 I have had a hand in developing every agricultural law now on the statute books. I have tried, to the best of my ability, to keep the producers, who are the life blood of America, in business.

Mr. President, it is true that the distinguished Senator from Georgia has taken out of my bill a clause or a section which would take care of the small farmer. However, this would be only for the first year. What would be done in the first year is spelled out. However, the rest of the time too much is left to the discretion of the Department of Agriculture. If Congress really has the welfare of the producer at heart, the Congress should by statute provide him with adequate price protection, rather than leaving such matter almost entirely to the Secretary's discretion.

There is no comparison between the provisions in the bill as conceived by the committee and the amendment proposed by the distinguished Senator from Georgia insofar as protection for the producers of cotton is concerned. In the bill before us, the producers, large and small, are assured of a 65 to 90 percent parity payment on all of their allotted acres.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield myself 5 additional minutes.

The amendment of the Senator from Georgia is similar to the House provisions for cotton.

The Senator's amendment would—

First. Authorize payments on raw cotton in inventory on July 31, 1966.

Second. Permit a producer to overplant his allotment by 50 percent without being subject to marketing penalties.

Third. Require a producer who cooperates with the program to reduce his acreage 10 percent below his allotment in 1966, and up to 10 percent, as prescribed by the Secretary, in 1967, 1968, and 1969.

Fourth. Provide protection to the small grower similar to that provided for by the committee bill. The producer with an allotment of 10 acres or less under the amendment of the Senator from Georgia could plant his entire allotment, receive price support through loans and payments at between 65 and 90 percent of parity, and receive diversion payments on 35 percent of his allotment at such rate as might be prescribed by the Secretary—but not less than 50 percent of the loan rate, there being no minimum loan rate after 1966.

Fifth. Reduce the minimum cotton support price for all other producers from 65 percent of parity on the production from the entire allotment to 65 percent of parity on the production from 65 percent of the acreage allotment—an average of 42.25 percent of parity if spread over the entire allotment. This support would consist of the following: First, a loan of zero to 90 percent of the estimated world price—except that it would be 21 cents for 1966; second, a payment on the projected yield of not less than 65 percent of the acreage allot-

ment at a level which, with the loan, equals not less than 65, nor more than 90 percent of parity; and third, a payment for diverting acreage from cotton to conserving uses to the extent prescribed by the Secretary. This payment could not be less than 50 percent of the loan level—and again I might point out that there is no minimum loan level after 1966—multiplied by the farm projected yield multiplied by the number of acres diverted.

Sixth. Payments to producers who plant no cotton. The rate of payment in this case would—for 1966—be 10½ cents—50 percent of the loan rate—and for 1967 through 1969 a rate comparable to that paid other producers for diverting acreage from cotton. This rate would be paid on 15 percent of the producer's allotment, and he could release the remaining 85 percent for reappportionment to other farms.

Seventh. Acreage not planted because of natural disaster would be considered as planted for the purpose of any payments under the Senator's amendment.

Eighth. Require cotton to be made available by Commodity Credit Corporation for unrestricted use at current market prices in the amount by which production is less than requirements.

There are a number of things that are wrong with the Senator's amendment.

First, it would permit those who do not want to cooperate in the program to overplant their allotments by 50 percent. At the same time it would cut those who do want to cooperate by up to 10 percent. When we are trying to keep production in line, we should not cut those who cooperate and permit additional production by others.

Second, the Senator's amendment would not provide as much protection for the small producer as does the committee amendment. The Senator's amendment would guarantee such producers at least 65 percent of parity on the projected yield of their acreage allotments. That is the minimum guarantee for 1967 through 1969. The committee amendment would give such producers the same minimum guarantee for those years plus a further minimum guarantee of at least 20 percent more.

Third, all other producers would fare much worse under the Senator's amendment than they would under the committee amendment. They would be guaranteed only 65 percent of parity on 65 percent of their allotments. Under the committee bill they would be guaranteed 65 percent of parity on their whole allotments.

The principal difference between the Senator's bill and the committee amendment is that the Senator's amendment would reduce the support price in order to add to the profit margins of the mills, while the committee bill would continue price support at current statutory levels as a protection to the producer. Because there are so many producing units, which individually have little bargaining power, and because a small surplus is so destructive of price in such situations, Congress has seen fit to support farm prices. This is also helpful to the mills and the consumers because it keeps a

healthy farm economy producing for their needs. To the extent that we remove price supports, the mills will get cotton cheaper for a while. Experience in 1964, shows that the consumer will not get the advantage of it. The use of cotton in relation to synthetics will not increase. But mill margins will go up. That is what the experience of 1964 shows us. That is what the amendment of the Senator from Georgia will do.

One other provision of the Senator's amendment probably should be mentioned. Perhaps it is the keystone of the amendment, for it is the one provision which I believe has been contained in every version of the House cotton provisions. It begins on page 9, line 5; and it provides what shall be done if Congress refuses to permit the amendment to be carried out as written.

I do not believe that the Senate should approve an amendment, when even its proponents doubt that Congress would be willing to permit it to be carried out.

The amendment of the Senator from Georgia really differs very little from the present law in philosophical terms. The important one-price concept has been maintained, although the level has been reduced by about 2½ cents. In retaining the one-price concept the Senator would also retain the same ills of the present program. For example, our exports under the present law have suffered and I predict that exports under the amendment will also suffer, although perhaps not as much. We still announce our export price at the beginning of the season, and our competitors in world markets will still be able to undersell us just as they have done this year and last. The amendment does not change this in any respect.

Second, domestic mills will receive cotton at the same price as foreign mills, but, I predict that the use of cotton domestically will not attain the levels predicted by the Department of Agriculture. I predict further, that mill profits will continue to improve at the expense of the Federal Government and to the detriment of producers and local communities throughout the Cotton Belt.

Because of the drastic acreage cuts contemplated by the amendment on the one hand, and the open-end planting on the other, the small rural communities in the South which are surrounded by small farms will become ghost towns. These small farms cannot afford not to cut, while the large corporate farms in the West cannot afford not to plant in excess of the allotment. Cotton acreage during the next 4 years will move west, while the small cotton acreage in the Southeast will disappear, never again to be planted, whatever we do after the next 4 years. Further, I predict that sometime during the next 4 years an effort will be made to limit the payment to farms. This would never be done to mills, but it will be done to the farmers of the Nation. As a result cotton producers will find themselves faced with attempting to produce cotton virtually at world prices. Under these circumstances economic chaos can be expected in cotton-producing areas.

I can see no earthly good in the amendment before us. I see nothing that will benefit the farming areas of the Nation. I see only more and bigger profits to domestic cotton mills which are already reaping the rewards of the 1964 law passed last year.

The PRESIDING OFFICER. The additional 5 minutes the Senator yielded himself have expired.

Mr. ELLENDER. I yield myself 2 additional minutes.

That protection was established by the Agricultural Act of 1958. That law provided the producer with a guaranteed support price of not less than 65, and not more than 90 percent of parity. It guaranteed to the producer national acreage allotment of at least 16 million acres, plus a reserve of about 300,000 acres. The Senator's amendment would do away with both of these twin protective devices. The price support loan would be reduced to not more than 90 percent of the estimated world price, but it could be fixed as low as the Secretary saw fit, at 80 percent, 70 percent, or any lower percent of the world price. And as the world price was driven down the loan level would go lower and lower. The Senator, himself, has said that the committee bill in seeking to export 6 million bales a year would disrupt the world cotton market, and that his amendment would get the Government out of the pawnbroker business by selling more cotton at competitive world prices. So under the Senator's amendment the world price would be forced down further and further, and the support loan would be forced down further and further. If Congress continued to provide funds for ever-increasing payments, the difference between this decreasing loan and 65 percent of parity would be paid to the farmer on the production of 65 percent of his allotment. On the rest of his allotment he would get only the loan.

When we passed the Agricultural Act of 1958, there was no reasonable minimum national acreage allotment and the cotton producers were faced with continually decreasing allotments. We had to give up a little in price support, in order to obtain a guaranteed minimum acreage for the farmer. But we did it, and the acreage was increased. But the Senator's amendment cuts both the price and the acreage.

The committee bill does not do this. The committee bill maintains both the support-price range and the minimum allotment that we obtained in 1958. In addition it provides producers with increased support if they reduce to their domestic allotments. It provides small producers with these payments without requiring them to reduce their acreage. In other words, while the Senator's amendment takes from producers at both ends, the committee bill takes nothing away from the producer.

One of the reasons our exports suffered last year was that we required the domestic price to be equalized with the export price. This meant that every time we reduced our export price we had to increase the domestic subsidy. In order to keep our domestic subsidy

within some limits the Department, consequently held the export price up, and exports fell. The Senator's amendment continues a one-price system in effect, and will therefore continue this inhibiting influence on exports.

The committee bill would divorce the domestic and export prices. The domestic mill would benefit from a 3-cent payment. The export sales would be made on a bid basis and we would dispose of more cotton.

We are facing almost exactly the same situation which prevailed last year when the present law was enacted. At that time the Department of Agriculture vigorously supported the proposal just as they support the present proposal. Then, as now they presented cost estimates and other projections to the Congress showing how wonderful the program was to be. At that time carryover stocks of upland cotton were estimated at 12.1 million bales. Domestic consumption of cotton allegedly was losing ground to man-made fibers and exports were held to be suffering, and the cost of the old program was held to be excessive.

On the floor of the Senate I predicted that the proposal which is now law would be detrimental to producers, would be more costly, would make no contribution toward solving the problems facing us, and the only ones to benefit from this type program would be the domestic cotton mills.

But the proponents argued otherwise. They claimed that according to the Department of Agriculture the cost of the program would be reduced to \$448 million, that consumers would benefit to the tune of \$700 million, that domestic mill use of cotton would increase by 1.1 million bales, that exports would total 5 million bales, that CCC stocks of cotton would decrease 2,150,000 bales, that total carryover would decrease by 1,650,000 bales, that the use of man-made fibers would decrease, and that all problems then facing the cotton industry would be solved.

But the fact is that in no instance were the estimates by the Department of Agriculture correct, or the proponents of the present law correct. The cost of the 1964 program, as estimated by the Department of Agriculture on February 19, 1964, only months before the existing law was to become effective, was put at \$448 million. I might add that last year the Department estimated the cost of my alternative proposal at \$500 million. I will have more to say about this a little later because again this year the Department has estimated my new proposal at a higher level than the one it favors. I do not want to accuse them of rigging the figures but I thought I would mention that somehow or other their cost estimates always show the program they favor to be the less expensive. But to get back to my point. As I said, the Department estimated the cost of the present law for 1964 at \$448 million. But what has the actual cost been? Well, in the latest estimate received by the committee, the cost of the 1964 cotton program amounted to \$892.7 million—almost double the original estimates of

the Department of Agriculture and \$392.7 million more than the cost of the program I proposed last year.

The proponents of the present law used a letter from the Secretary of Commerce, which can be found on page 510 of part II of the hearings held in January and February of 1964, to substantiate their claim that consumers would benefit. In a letter addressed to me, Mr. Hodges said that the Department of Commerce estimated that savings to consumers would amount to about \$90 million for each cent reduction in the price of raw cotton, with the total savings to consumers estimated to be \$700 million. Now that the first year of the present law is behind us, the record shows that cloth prices have increased rather than decreased.

For the past 25 years the Cotton Division of the Consumer and Marketing Service of the Department of Agriculture has regularly published prices of cloth and cotton and mill margins. As a matter of fact the American Textile Manufacturers Institute used these same data to substantiate their claim that cloth prices would immediately reflect the lower cotton price contemplated by the proposed law. The information I have placed in the record shows that the average cloth prices of 20 constructions in July 1963 amounted to 60.28 cents per pound, in July 1964 cloth prices averaged 60.95 cents per pound, and in July of this the same 20 constructions averaged 65.30 cents per pound, an increase of 4.35 cents during the same year that consumers were supposed to save \$700 million by the enactment of the present law.

During this period prices of cotton to the mills declined from 35.57 cents in 1963 and 35.60 cents in 1964 to 27.33 cents in July of 1965. This is a decline of 8.27 cents per pound in the price of raw cotton to the domestic mills of this Nation.

Mill margins, which is the difference between cloth prices and cotton prices increased from 24.71 cents in 1963 and 25.09 cents in 1964 to 37.97 cents in July of 1965, an increase of 12.88 cents per pound. In other words, the tremendous saving that was supposed to be passed on by the domestic mills to the consumers of this Nation not only was retained by the domestic mills, but margins actually increased even over and above cotton price reduction. As a result, consumers are paying more now for textiles than they were last year and the year before, notwithstanding the fact that domestic mills are getting cotton at about 8.5 cents a pound less than they did before the one-price cotton law became effective.

Now what about exports? The year before this new law became effective, exports of cotton from the United States amounted to 5.7 million bales, but during the first year of the so-called one-price system, exports amounted to only 4 million bales, a decrease of 1.7 million bales in the first year of its operation and about 1 million bales less than the Department's estimate. Furthermore, exports during the present marketing year are again very slow and are not expected to total much more than last year's very poor showing.

The Department of Agriculture also estimated that the Commodity Credit Corporation's stocks of cotton would decrease by 2,150,000 bales. But the facts show that instead of decreasing there was an increase of about 550,000 bales, for a total error in the Department's estimates of 2.7 million bales.

Total carryover stocks were also supposed to decline according to the predictions of the Department of Agriculture by 1,650,000 bales. However, the record shows that instead of declining, carryover stocks actually increased by 1.1 million bales for a total error of 2,750,000 bales.

The proponents also claimed that the one-price program would result in a decrease in the use of manmade fibers by domestic mills. Here again they were wrong. Instead of decreasing the use of manmade fibers increased by 210,000 bales over the year before, and the use of rayon is slightly above the previous year.

Their claim that one-price cotton would halt the trend to synthetics was disputed by me on the floor of the Senate. At that time I contended that the trend toward synthetics was not peculiar to the United States but was in evidence throughout the world. I pointed out that in the United Kingdom the use of cotton as a percentage of all fibers used amounted to 52.3 percent in 1952, whereas in 1963, the latest data available, cotton use had declined to 28.6 percent of the total. In Japan, cotton use declined during this same period from 64.6 to 27.4 percent. In Belgium, cotton use declined from 69.2 to 45.7 percent. In France, the decline was from 60.3 to 46 percent. In Italy, the decline was from 62 to 44.4 percent. Purchases of cotton by foreign countries is made on world markets at world prices. In the United States the decline was from 69.5 to 55.8 percent, a smaller decline than in other countries, notwithstanding the fact that domestic mills bought cotton at higher prices.

Finally, the Department of Agriculture last February estimated that domestic mill consumption of cotton would increase by 1.1 million bales under their so-called one-price cotton program.

The results are now in, and the actual mill consumption increased by only 600,000 bales, slightly more than one-half the Department's predictions.

Mr. President, I said earlier that I would have more to say about the Department's predictions. So far I have shown, from their own figures, how utterly wrong they were last year in February when they were predicting for the crop that was to be planted in just a few months. Now, this year, even before the 1965 crop is fully harvested, they are predicting for 1966-67. Undoubtedly they believe that they are seers—but from past performance, as I have shown, I do not believe that their crystal ball is any better than anyone else's. As a matter of fact, I said on the Senate floor last year that they were wrong in their estimates, and my predictions did come to pass, for the law that was enacted, and the Department supported, turned out to be an absolute failure in every regard.

Last year's legislation was designed to help only the domestic mills. They received a windfall amounting to about \$32.50 for every bale of cotton they consumed. On a 9.1 million bale consumption this amounted to \$295.7 million—quite a pocketfull.

But, Mr. President, the bill that the committee approved this year is a farm bill in every sense of the word. It is designed to protect farm income, to provide markets for producers of cotton, to insure the well-being of the thousands of small rural communities scattered throughout the Cotton Belt upon which farmers depend so heavily, and to lay the groundwork for a sound future for cotton.

The Senate cotton amendment is a very simple but direct attack on the fundamental problems facing cotton. It provides for a minimum of changes, but these will accomplish our purposes.

Under the Senate amendment we retain the 65 to 90 percent of parity price support concept on the total allotment of producers. The Senate amendment provides farmers with the price and income protection they so sorely need. The amendment, however, provides farmers with protection only on 65 percent of their allotments and then part or perhaps all of this could be payments. Actually, the amendment, as it relates to cotton, is a wide-open affair, giving the Secretary of Agriculture unheard of discretionary authority. Under the amendment, price support consists of payments plus a loan level. But the loan level cannot be set above 90 percent of the world price, and could be set at zero. Therefore, the Secretary could, and I do not say he would, but he could set the loan level at zero with payments to co-operators set at 65 percent of parity or 27.31 cents per pound.

In other words, under the amendment the producer would depend upon the Government for the major portion of his income.

The Senate bill also provides for an orderly reduction in stocks, but not so sharply as to critically injure the economies of the many local rural communities which depend upon cotton for their well being. Farmers and the local communities are partners, so to speak, in maintaining economic stability in their areas. Business in small communities depend upon farmers for this well being just as farmers depend upon the local communities for the many supplies and services needed in operating their farms. This is a joint venture and one which must be preserved.

The Senate bill makes this possible by providing for a domestic allotment equal to 65 percent of the total allotment. Farmers who wish to reduce production are offered an incentive payment of between 20 and 40 percent of the support price. In 1966, the incentive payment would amount to 25 percent of the support price. This is purely voluntary. There is no mandatory cut such as contained in the amendment. The method provided by the Senate bill is far superior and under it the committee believes that enough grower participation can be secured so that stocks can

be reduced in an orderly fashion over the 4-year period to reasonable levels. After the stocks are reduced we can proceed under the law as originally intended.

Although I believe that the domestic mill subsidy is wrong, the committee felt that some concession should be made in order to bring domestic prices more in line with prices paid by foreign mills. Therefore a 3-cent subsidy was provided for. This ought to compensate for the higher transportation costs paid by foreign mills, which the record shows is about 2.5 to 3.5 cents more than domestic mills pay.

Finally the committee felt that cotton exports must be increased if the cotton industry in this country is to survive.

During the 5-year period 1956-60 our exports average just at 6 million bales. The average for the 1961-65 period, however, amounts to only 4.4 million bales in spite of the fact that world consumption has increased.

The practice by the Department of Agriculture in announcing a fixed subsidy prior to the beginning of the marketing year, which has remained in effect throughout the year without change, has been detrimental to our export effort. In effect, this sets the world price, and our foreign competitors market their entire crop by selling their cotton just below our announced price.

The committee believes that our competitive position abroad will be improved materially by the amendment to existing law which would prohibit the preseason announcement of our export price and to move instead to a bid basis. In this way, world supply and demand will determine world prices and our exporters will be on equal footing with foreign exporters in marketing cotton abroad. In closing Mr. President, I predict that the proponents of this amendment will be proved just as wrong as were the proponents of the present law.

Mr. President, I have placed in the RECORD quite a few tables indicating that notwithstanding all that has been said by the proponents of this bill in regard to the additional amounts that will be used—

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. May I ask how much time remains?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. ELLENDER. I yield 5 minutes to the distinguished Senator from Kentucky.

Mr. COOPER. Mr. President, I do not come from a State which produces a great amount of cotton, and I do not have such specific and intimate knowledge of cotton as do both those who support and those who oppose the Talmadge amendment. But as a member of the Agriculture Committee, and one who voted against the Talmadge amendment—defeated in the committee by a vote of 8 to 7—I think I have a duty to explain my views as one who is concerned with the question from a national standpoint.

The arguments of the Senator from Georgia are very persuasive. I know, of course, that both those who support Senator TALMADGE, and those who support Senator ELLENDER's cotton plan, adopted by the committee, are equally concerned that the cotton grower secure a fair price for his cotton.

At first impression, I thought the proposal of the able Senator from Georgia [Mr. TALMADGE] should be adopted. But as we discussed the plan in the committee, several questions arose which I do not believe have been satisfactorily answered.

As I see it, the success of the Talmadge proposal depends upon the assumption that cotton will move freely into the world market. The danger in this assumption seems to me to be this: If all or a large part of the U.S. cotton crop over domestic needs, not to mention CCC holdings, begins to move abruptly into the world market, the world price, of course, will go down. But as the price drops, other cotton producers throughout the world will be able to meet the price at which this country can sell.

As this happens, I believe we will be in the same situation we are in today—that is, our exports will not increase in any significant volume, and the CCC would be required to take additional stocks into its inventory.

This is a contingency which the Talmadge amendment does not anticipate, and in fact assumes will not occur. However, I think it is reasonable to believe that other nations may be as com-

petitive at a lower price as they are today, unless the world price drops to an extremely low level.

Then what will happen? Under the Talmadge proposal, the Federal Government must make up the difference between the 65 percent of parity support price and the CCC loan level set by the Secretary at not more than 90 percent of the world price. That would mean, of course, that as the world price declines, the Government would have to make larger payments to the cotton producers than is anticipated in the first year of operation under the bill.

A third point which I do not believe has been sufficiently considered is that under the Ellender proposal, as contrasted to the Talmadge proposal, the U.S. Government has some control over the cost to the Government of the cotton program. This must be considered, as the public interest is involved. If the Talmadge program does not work, we could lose control of the cost.

The textile mills and their workers deserve consideration. But the mills constitute the one element in the cotton industry which has an inflexible guarantee under the Talmadge amendment—the guarantee that it will be able to buy cotton at whatever the world price becomes, regardless of whether the plan works, and whatever its cost to the Government.

I think the Ellender amendment meets all the objectives fairly, and with reasonable assurance of success to assure a fair price for the producer, to assist the mills and their workers, and to leave in the Federal Government some control over the cost of the program. For these reasons, I support the Ellender plan, voted by the committee, and oppose the pending amendment of the Senator from Georgia.

Mr. ELLENDER. I yield 1 minute to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table appearing at page 60 of the report, a table showing the percent of original allotment farms by size groups.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—1964 upland cotton: Percent of original allotment farms by size groups

State	Number of original allotment farms	Size of original allotment (in percent) ¹										
		0.1 to 4.9 acres	5 to 10 acres	10.1 to 14.9 acres	15 to 29.9 acres	30 to 49.9 acres	50 to 99.9 acres	100 to 199.9 acres	200 to 349.9 acres	350 to 499.9 acres	500 to 999.9 acres	1,000 acres and over
Alabama	93,714	40.6	34.0	10.5	9.6	2.9	1.6	0.6	0.2	(²)	(²)	(²)
Arizona	3,218	6.9	9.9	9.1	15.9	13.3	17.2	14.5	7.7	2.5	2.2	0.8
Arkansas	44,244	20.6	24.3	15.1	19.9	8.1	6.4	3.4	1.3	.4	.4	.1
California	10,467	11.6	11.6	17.0	17.9	12.4	14.3	9.0	3.6	1.0	1.2	.5
Florida	5,589	56.7	27.7	7.0	6.7	1.3	.5	.1	(²)			
Georgia	61,730	30.0	32.3	12.9	15.8	5.3	2.8	.8	.1	(²)	(²)	
Illinois	335	59.1	21.5	8.1	5.9	3.3	1.2	.6	.3			
Kansas	3		100.0									
Kentucky	805	68.6	14.8	3.0	6.2	4.1	2.2	1.0	.1			
Louisiana	27,330	23.2	32.2	13.8	16.7	6.2	4.6	2.2	.8	.2	.1	(²)
Mississippi	73,128	32.8	30.4	12.3	12.9	4.5	3.3	2.0	1.1	.4	.2	.1
Missouri	14,006	21.0	19.6	14.8	22.4	10.7	7.9	2.7	.6	.2	.1	(²)
Nevada	20		5.0		15.0	15.0		55.0			5.0	5.0
New Mexico	4,870	15.2	17.5	10.0	22.7	14.7	13.4	4.9	1.3	.1	.2	(²)
North Carolina	66,742	61.6	23.3	6.6	5.6	1.8	.9	.2	(²)	(²)	(²)	(²)
Oklahoma	34,198	18.0	22.1	13.3	24.4	12.7	7.5	1.7	.2	.1	(²)	
South Carolina	59,332	44.3	26.5	10.6	11.0	4.1	2.6	.7	.2	(²)	(²)	
Tennessee	51,332	43.0	29.2	10.7	10.0	3.4	2.0	.6	.1			
Texas	152,618	10.9	12.1	9.4	23.6	16.4	17.4	7.6	1.9	.4	.2	.1
Virginia	4,712	79.6	14.7	3.2	1.9	.5	.1	(²)				
United States	708,393	31.2	24.5	10.9	15.4	7.6	6.5	2.8	.8	.2	.1	(²)

¹ Original allotments refer to those established for all farms prior to release and reapportionment programs.

² Less than 0.05 percent.

Mr. YARBOROUGH. This cotton section of the bill means a great deal to the people of Texas, which is the leading cotton producing State. The Cotton Research Committee of Texas estimates that more than 1 million Texans derive all or part of their incomes from growing, processing, manufacturing, or selling cotton, cottonseed, and their products. Some 152,618 of the 708,393 original allotment farms in the country are in Texas. Texas produces \$566 million out of a national total of \$2,258 million worth of cotton lint, and \$76 million out of a national total of \$274 million worth of cottonseed. Clearly cotton is a commodity of immense importance to Texas.

Mr. President, the cotton industry is in great danger. I fear that unless meaningful corrective action is taken, we will be witnessing the last days of the small American cotton farmer, who has contributed so richly to the development of the Southern and Southwestern regions of this country and who has played such an important role in the political and social history of this country.

After much study, I have come to the conclusion that the committee bill is best designed to restore the health of the cotton industry.

The committee bill will provide a more adequate support price for the grower. At the same time it will encourage the growth of domestic use of cotton through a mill subsidy of 3 cents per pound and encourage exports through a larger export subsidy.

If we try to compete at the world market price, other cotton growing countries of the world can simply undercut us. The committee bill wisely meets this problem by instituting a bid procedure which will enable the United States to compete more favorably on the world market.

Moreover, although I acknowledge that there is some dispute on this point, the Ellender proposal offers the best opportunity to cut back our production to a point where supply more nearly equals demand. The Ellender program increases the payments for cutting back production from the present 4.35 to 7 cents in the first year. In the following 3 years the Secretary could raise the incentive payments if experience shows that this is necessary. The Secretary would have the flexibility to set payments at the level necessary to achieve the desired cutback in production.

Mr. THURMOND. Mr. President, I am pleased to be a cosponsor of the Talmadge amendment to H.R. 9811. The Talmadge amendment is vital to our national economy, and particularly to the economy of South Carolina, because of the economic importance of our domestic cotton industry, from the producer to the consumer.

The basic question posed to the Members of this body on this vote is whether our Government is going to continue the new one-price cotton concept as embodied in the Talmadge substitute and approved again in principle by the House of Representatives or whether we are going to adopt the multiple-price concept as embodied in the Eastland-Ellender amendment, which was voted by

the Senate Agriculture Committee in a close vote.

In 1964, the Congress voted to change from a two-price to a one-price cotton system in order to try to save cotton from losing out in competition with synthetic fibers. This was deemed to be important by the Congress not only because cotton is an essential basic fiber, but also because of the adverse effects which a sick cotton economy could have—and indeed was having—on so many aspects of our economic life. The cotton industry in our country is a vast industry. It cuts across virtually every segment of our population. Involved are growers, farmworkers, merchants who sell supplies and equipment to farmers, banking institutions which help finance farm operations, ginneries, cotton buyers, textile and apparel manufacturers and their employees—who number approximately 2 million—and the consuming public. Many communities in my State and in other States are directly dependent on cotton for their economic health. Indeed, even our Defense Establishment has found our textile industry to be second in importance only to steel in providing the vital resources and supplies necessary for the defense of our Nation.

In an effort to try to help solve some of the problems of the cotton industry, there was introduced in Congress in 1956 a two-price cotton plan to stimulate a rapidly deteriorating cotton export situation. In this same legislation there was incorporated a provision to place import quotas on cotton goods being manufactured overseas and returned to this country at a low price because of the advantage gained by the foreign manufacturers on the export subsidy and also because of the very decided wage differential favoring the foreign mills. However, when the two-price system was approved by the Congress, the import quota feature was dropped. Thus, from 1956 to 1964, foreign mills enjoyed an 8½-cent-per-pound raw material advantage over domestic mills. In other words, our Government, in order to move our surplus cotton production on the world market at a price 8½ cents lower than the domestic market was giving a one-fourth price advantage to foreign mills on cotton grown, in some cases, next door to American cotton mills. During that 8-year period, the domestic textile industry experienced terrific hardships. Cheap imports increased from about 300 million square yards to 1.2 billion. The impact on the market structure of the industry was devastating. In spite of the great population increase, and a much higher gross national product, domestic consumption of cotton dropped—while the use of competitive products soared.

Because there is no way for American cotton to move to market except through the domestic industry, this was a tragic situation not only for the textile industry but for the entire cotton economy as well. The strength of cotton obviously can be no greater than the strength of the industry through which the product moves to market.

The subject of ever-increasing cotton

textile imports was subjected to close studies by the Senate Commerce Committee's Special Textile Subcommittee. I had the privilege of serving on this subcommittee with the distinguished senior Senator from Rhode Island [Mr. Pastore] and the distinguished senior Senator from New Hampshire [Mr. Cotton]. Each time our subcommittee issued a report, we stressed the fact that the two-price cotton system was proving to be grossly unfair to the domestic cotton textile industry and to the entire domestic cotton economy. We recommended strongly that corrective action be taken on this and other problems by the executive branch of the National Government.

Unfortunately, the most appropriate approach to this problem created by two-price cotton—the imposition of import quotas or at least an offsetting import fee—was never adopted by the executive branch.

Since no effective administrative action was taken, the Congress was asked last year to enact a cotton law which would eliminate the two-price system, making it possible for American mills to buy American cotton at the same price as it is sold for export to competing foreign mills. Thus was a great injustice balanced, and the posture of the domestic cotton industry improved.

Last year's cotton program cost more than was expected because an extra 2 million bales of cotton was produced, and we exported 1 million bales less than was estimated. This 3 million bales had to wind up in the hands of the Commodity Credit Corporation, and the excess cost actually is in the inventory. Even so, it is unrelated to the one-price feature. Actually, this exact situation could have occurred with either the one-price or two-price system in effect.

The truth of the matter is that the one-price feature is the one aspect of the law that did work well so far as domestic cotton consumption and the welfare of the domestic textile industry and its related apparel industry are concerned. Under the one-price system, mills gained a new confidence in cotton. Consumption increased by 600,000 bales. Employment rose by 27,000 jobs in the textile industry and another 58,000 in the apparel industry. This contrasts with findings by the Senate's Textile Subcommittee that textile employment dropped by 400,000 during 1947–60 while 828 mills were closed during the same period.

Since establishment last year of the one-price system, there have been three wage increases of 5 percent each. Mill profits have improved but they are still not equivalent to the level of all manufacturing. In 1964, the textile profit percentage on sales was 3.1 compared to 5.2 for the average of other industries. Much of the increased profits—in fact, more than \$1 billion—has been invested in new machinery and equipment to make the textile industry more competitive. This investment represents twice the amount put in machinery in previous years.

Some farmers have expressed concern over last year's legislation because their support level was lowered in an effort to make cotton more competitive

with synthetics. The support level on 1-inch middling cotton was reduced from 32½ to 30 cents and later to 29 cents. However, those farmers agreeing to a voluntary cutback in acreage were guaranteed another 4.35 cents. Thus those feeling the price squeeze foremost were the larger farmers who preferred to produce in quantity.

Under the Talmadge amendment now pending, it is my understanding that farmers agreeing to a 35-percent reduction in their acreage will be guaranteed 35.65 cents per pound for next year. If, as expected, the market price is another cent above the guarantee level, then the price would be almost 37 cents per pound. Also understand that those farmers taking the mandatory 10 percent acreage reduction would be guaranteed 32 cents per pound plus a possible 1-cent increase in the market price. This would result in a higher price guarantee than now available or which would be available under the four-price Eastland-Ellender plan. I ask unanimous consent, Mr. President, to have inserted at this point in my remarks three charts which show the difference in farmer price benefits under the present program, the Talmadge plan, and the Eastland-Ellender plan.

Farmers in South Carolina have expressed the desire that three other items pertaining to cotton be rectified in this farm bill. I am glad that both the Talmadge and the Eastland-Ellender plans are designed to insure that there can be a release and reapportionment of unused acreage allotments across county lines, that certain limitations are applied to open-end planting, and that the Secretary of Agriculture will have no authority, as originally proposed, to permit him to buy up cotton allotments on a permanent basis.

Another important question at stake in this debate is the question of the costs of the Talmadge and Eastland-Ellender plans. After all, this is certainly an important factor to be considered. Agriculture Department estimates show that the Talmadge plan should cost \$2.8 billion over the 4-year period as against \$3.9 billion for the Eastland-Ellender plan. The reason for the difference in cost is that less cotton will be planted and more consumed under the Talmadge plan.

These, Mr. President, are my primary reasons for being a cosponsor to the Talmadge plan. At stake here is a basic concept of one-price versus a multiple-price plan that will prove more costly and less workable. I am convinced from the careful study I have made of all the factors involved that the interests of all segments of the cotton industry—from producer to consumer—as well as the overall public interest will be better served by adoption of the Talmadge plan, which I am confident will prevail in the forthcoming vote.

Mr. President, I ask unanimous consent that three examples dealing with a 480-pound yield be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Farm example: 10-acre allotment farm with 480-pound yield

1965		
10 acres at 480=10 bales × \$145----		\$1,450
10×480×4.35 cents (domestic allotment payment)-----		208
Total-----		1,658

1966		
Talmadge proposals:		
10 acres at 480=10 bales × \$110--	1,100	
10×480×14.65 cents (domestic allotment payment)-----	703	
Total-----		1,803

Ellender proposals:		
10 acres at 480=10 bales × \$145--	1,450	
10×480×7 cents (domestic allotment payment)-----	336	
Total-----		1,786

H.R. 9811 as passed by House (domestic allotment for 10-acre allotment farm would be 6.5 acres):		
6.5 acres at 480=6.5 bales × \$110--	715	
6.5×480×14.65 cents (domestic allotment payment)-----	457	
Total-----		1,172

Farm example: 100-acre allotment farm with 480-pound yield and 65-acre domestic allotment making maximum diversion

1965		
65 acres at 480=65 bales × \$145----		\$9,425
65×480×4.35 cents (domestic allotment payment)-----		1,357
Total-----		10,782

1966		
Talmadge proposals:		
65 acres at 480=65 bales × \$110--	7,150	
65×480×14.65 cents (domestic allotment payment)-----	4,570	
Total-----		11,720

Ellender proposals:		
65 acres at 480=65 bales × \$145--	9,425	
65×480×7 cents (domestic allotment payment)-----	2,184	
Total-----		11,609

H.R. 9811 as passed by House:		
65 acres at 480=65 bales × \$110--	7,150	
65×480×14.65 cents (domestic allotment payment)-----	4,570	
Total-----		11,720

Farm example: 100-acre allotment farm with 480-pound yield and 65-acre domestic allotment making minimum mandatory diversion

1965		
100 acres at 480=100 bales × \$145--		\$14,500
1966		
Talmadge proposal (10 percent mandatory diversion):		
90 acres at 480=90 bales × \$110--	9,900	
65×480×10.62 cents (domestic allotment payment)-----	3,313	
Total-----		13,213

Ellender proposal (no mandatory diversion); No diversion is required under this proposal and the carry-over and stocks of cotton held by CCC will continue to increase.		
H.R. 9811 as passed by House (15 percent mandatory):		
85 acres at 480=85 bales × \$110--	9,350	
65×480×11.42 cents (domestic allotment payment)-----	3,563	
Total-----		12,913

Mr. TALMADGE obtained the floor.

Mr. TALMADGE. I yield to the distinguished Senator from Arkansas.

Mr. McCLELLAN. Mr. President, farmers and others who are far more conversant than I with the farm bill, and particularly the cotton section of it, are much confused and are having extreme difficulty in comprehending exactly what the consequences will be if either the House bill or the Senate version is finally enacted into law.

I cite as a specific example a problem which farmers in my State have had in trying to understand Senator TALMADGE's substitute. Subsection (8) of section 602 of the Senator's amendment to H.R. 9811 would condition payments on a farm maintaining an acreage of approved conservation uses equal to the sum of, first, the acreage taken out of cotton to qualify for payments and, second, the average acreage of cropland on the farm devoted to designated soil conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary." The portion about which I speak appears on page 8 in subsection (8), part 2, lines 3 through 6, and more particularly the phrase "during a base period prescribed by the Secretary." Perhaps a simple example will best point out our difficulty. I have farmers in my State who, during the base period of 1959 and 1960, had thousands of acres in timberland. Since that time, this land has been cleared and planted primarily in soybeans, which up until early this year was not considered a surplus crop. The problem now arises: Should the Secretary of Agriculture decide to set a retroactive base period, these farmers would be required to let this timberland that has been cleared and planted in soybeans lie idle. That is, any further planting on the land might be prohibited as a condition for that farmer to participate in the cotton program.

For that reason, I had intended to offer an amendment in behalf of myself and my colleague [Mr. FULBRIGHT], who is necessarily absent. We have felt this amendment would alleviate the problem to which I have just referred. Our amendment would have stricken out on page 8 of the Talmadge amendment all of the language in line 3, after subpart 2, down to the word "Secretary" on line 6, and in its place we had intended to insert this language: "not to exceed the number of acres of cropland on the farm required during the crop year 1965 to be devoted to designated soil conserving crops or practices, including summer fallow and idle land."

I discussed our proposed amendment with both the distinguished Senator from Georgia [Mr. TALMADGE] and Mr. Horace Godfrey, who is the Administrator of the Agricultural Stabilization and Conservation Service. Mr. Godfrey assures me that the amendment is unnecessary under regulation changes which the Secretary of Agriculture proposes to make. I requested a letter from the Secretary which would define and clarify this point.

In lieu of offering the amendment, I ask unanimous consent to have printed in the RECORD at this point the Secretary's letter, which I understand is in-

tended to assure the farmers of my State that timberland which has been cleared and planted in soybeans, at least such land as was cleared up to early 1965, would not be required to lie idle.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., September 10, 1965.
Hon. JOHN L. McCLELLAN,
U.S. Senate.

DEAR SENATOR McCLELLAN: This is in response to your inquiry relative to the establishment of farm conserving bases. You particularly questioned the requirement that a farm conserving base be increased by the amount of any noncropland which is brought into cropland status.

As you know, our voluntary programs for feed grains and wheat have required that acreage diverted from such crops be devoted to conserving uses in addition to the average acreage of conserving uses on the farm in 1959 and 1960. This average conserving acreage is called the farm conserving base. By regulations we have required an increase in the conserving base when noncropland was brought into cropland status. The objective was to prevent additional and unneeded acreage of surplus crops.

It is my understanding you have many constituents who have brought acreage of noncropland into a cropland status and who are concerned about the conserving base requirement. I further understand that these farmers have not devoted this new cropland to the production of crops in surplus but have devoted such acreage to soybeans.

This letter is to inform you that our regulations will specify for 1966 that the farm conserving base will not reflect the acreage of noncropland brought into a cropland status since the base period (1959-60) if such new cropland was not devoted to the production of crops in surplus. This means that this new cropland which has been devoted to the production of soybeans will not be added to the conserving base and the farmer may continue to produce the acreage of soybeans as produced in prior years. Where necessary, farm conserving bases which now reflect increases based upon new cropland will be adjusted downward.

Sincerely yours,

ORVILLE L. FREEMAN.

Mr. TALMADGE. Mr. President, I yield 3 minutes to the able senior Senator from Rhode Island.

Mr. PASTORE. Mr. President, the reason I rise is to restate in affirmative language what I stated when I asked the distinguished Senator from Missouri [Mr. SYMINGTON] a question. I have a strong and conscientious conviction that it was absolutely immoral for the United States to sell a raw product to a foreign producer who, when he produces his product, competes with an American producer in the American market, when the American must pay 8½ cents a pound more for the raw material that goes into that product. That is how simple the question is.

When I was Governor of the State of Rhode Island, between 1945 and 1950, 45 percent of the gross income of my State came from the textile mills and the people who held jobs in those mills. Today that 45 percent has dropped to 15 percent. Mills are closing down in Rhode Island all around us.

Here I am on the floor of the Senate with a toothache, and Senators rise and

say, "You feel fine, PASTORE, because I don't feel your pain."

Many reports have been placed in the RECORD to show how good it is with the textile industry. Yet over the past 10 years 1,000 mills have closed in the United States, and we have lost almost one-half million jobs. All this has occurred in the United States of America today when we have more people employed than ever before in the history of our country.

A short while ago I stepped out of the marble room. While in that room I observed on the front page of yesterday's newspaper in my home State an article, the title of which is, "Governors Urge One-Price Cotton."

Do not tell me that the Governors of New England do not know what they are talking about. They are the chief executives, and they know the economic plight of their own States.

Only last Sunday in the Providence Journal appeared an editorial entitled "Dropping One-Price Cotton Would Be a Senseless Step."

Mr. President, I ask unanimous consent that the editorial and the article to which I have referred be printed at this point in the RECORD.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Providence (R.I.) Evening
Bulletin, Sept. 4, 1965]

DROPPING ONE-PRICE COTTON WOULD BE A SENSELESS STEP

If anything needs knocking down in a hurry, it is this notion in the Senate Agriculture Committee that the one-price cotton system which is now law should be abandoned.

In a closed door session, secret because the committee has not completed action on cotton, it was voted 8 to 7 not to continue equalized prices for another 4 years.

That leaves the committee, unless it does something about it, with a program proposed by committee chairman, ALLEN ELLENDER, Democrat, of Louisiana, which calls for 3-cent-a-pound payment instead of full equalization to "persons other than producers" or, in other words, cotton mills.

Up to the time when the existing law was passed, cotton was sold to mills at the U.S. support price which was 6 to 8 cents higher than world market prices. Foreign competitors of the mills thus had a 6-to-8 cent cost advantage which they put to good use in manufacturing cotton fabrics for shipment into this country at prices domestic mills simply could not meet.

It took a long time to convince Congress that this kind of competition was wrong but finally the present law was passed which provides for Government payment to mills of the difference between the U.S. support price and world prices.

Now Senator ELLENDER wants to go back to something approaching the old dual price system. He has managed to prevail, persuading a majority of the Agriculture Committee to accept his complicated proposal.

This may be a good deal for Louisiana cotton growers but it makes no sense at all, either for mills having to compete with foreign producers or for that segment of the U.S. economy depending on textiles, which is large.

The Senate Agriculture Committee went fully into the pros and cons of dual cotton prices and foreign competition when the existing law was passed. It ought to remem-

ber this, get back on the track and continue the only system that gives U.S. mills a fair shake in the competitive open market.

GOVERNORS URGE ONE-PRICE COTTON

(By John P. Hackett)

The New England Governors' Conference urged the region's U.S. Senators yesterday to work for legislation that would let American textile manufacturers buy this country's cotton at the same price charged foreign mills.

The U.S. House has passed a so-called one-price cotton bill, but the Senate Agriculture Committee last week recommended a measure that would let the raw material be sold abroad more cheaply than at home.

Gov. John H. Reed, of Maine, conference chairman, said the one-price plan is essential to the health of the remaining New England textile industry.

The Senate committee's version, he declared at a press conference at the Elms, Newport mansion used as the conference site, would be "detrimental" to an industry that still accounts for 17 percent of the area's manufacturing employment, or 190,000 jobs.

The six Governors resolved not only to transmit the resolution urging amendment to the senatorial delegation, but decided that each chief executive will get in touch with his State's Senators personally on the matter.

Governor Chafee, host at the first regional gubernatorial gathering in Rhode Island since 1956, was named to a subcommittee with Gov. Philip H. Hoff, of Vermont, to study feasibility of a nonprofit corporation to take maximum advantage of two new Federal acts.

These are the Technical Services Act and the Public Works and Economic Development Act.

Under the former, the object would be to utilize, with Federal financial assistance, the research capabilities of area industries to seek solutions of such governmental problems as waste disposal, transportation, and growing crime rates.

Mr. Chafee reported that California already has embarked on inquiries in these and other fields by components of its aerospace industries.

SUGGESTED BY MORSE

He and Mr. Hoff will be assisted by Richard B. Morse, former assistant defense secretary for research and now at the Massachusetts Institute of Technology, who is chairman of the New England Committee for Science and Technology.

Mr. Morse discussed the subject with the Governors yesterday and suggested the nonprofit corporation as the best vehicle for carrying out a regional project.

The Economic Development Act, holding out the prospect of Federal help similar to that being given the depressed Appalachia region, is one on which New England Senators split along political lines in Washington recently.

The Democrats, including Senators JOHN O. PASTORE and CLAIBORNE PELL, of Rhode Island, urged the Commerce Department to designate New England as a region eligible for such aid. The Republicans argued this was a matter to be initiated at the gubernatorial level—a position with which Mr. Chafee later expressed agreement.

PRELIMINARY STAGES

However, the politically evenly divided Governors—three Democrats and three Republicans—disavowed any partisan involvement on their parts.

Mr. Reed said the Chafee-Hoff study will pursue the project among regional officials without going to Washington for now. "It is still in the preliminary stages," he said.

In a demonstration of close liaison with the area's GOP and Democratic Congress-

men and Senators, the Governors announced that they will meet with them in Boston sometime after Congress adjourns to discuss regional matters. Gov. John W. King, of New Hampshire, said the planned session is an outgrowth of a successful one held last April in Washington.

In an effort to develop State government executive talent, the Governors announced that a 2-week course will be given at the University of New Hampshire next month for four topnotch department heads from each State.

FIRST OF ITS TYPE

The first of its type in the Nation, according to Mr. Hoff, the course will be financed by the Kellogg Foundation and carried out by the Brookings Institute, a governmental research firm.

A topic that took up most of the morning session was the plan of Northeast Airlines—a major regional carrier outside of Rhode Island—to buy 115-passenger jets that more than half the 22 airports served by the company cannot handle.

The Governors, seeking improved local service from the carrier, said they received some assurance the line also has in mind purchasing smaller new planes to serve the smaller airports.

Gov. John A. Voipe, of Massachusetts, said the Governors will hear from Northeast's new management at a future conference on their plans. State aeronautics officials advised the Governors that passenger volume and airport sizes warrant smaller planes than the DC-9 for local purposes.

TWO MORE INTERVIEWED

Gov. John Dempsey, of Connecticut, obtained the support of the others for a resolution urging congressional study of means of preserving the Connecticut River Valley as part of the national beautification movement.

The Governors interviewed two more candidates for the new position of conference secretary and scheduled more interviews at their next conference September 18 at 2 p.m. at West Springfield, Mass., in conjunction with the Eastern States Exposition.

Put off until then was discussion of a proposed Federal power project on the St. John's River in northern Maine. It is supported by Maine political officeholders as a harbinger of lower power rates for the region, but private New England power firms oppose it. Mr. Chafee has come out for the project.

RESOLUTION OF SYMPATHY

The Governors passed resolutions of sympathy to Mr. Voipe on the recent death of his mother and of congratulations to Mr. Reed on his election in July as chairman of the National Governor's Conference.

A resolution of appreciation was adopted for Mr. Chafee's conduct of the conference, which closed with a ciambake club dinner for the chief executives and their wives after the day-long business sessions.

THE PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. PASTORE. If Senators wish to do equity and justice to America, its economy, and American jobs, they should vote for the Talmadge amendment.

A COTTON PROGRAM THAT FORGETS THE FARMER

Mr. EASTLAND. Mr. President, you have heard much about the cotton section of this omnibus farm bill. The cotton provisions developed by the Senate Committee on Agriculture and Forestry and reviewed yesterday by its distinguished chairman, Senator ELLENDER, are sound, workable, and fair. It is centered upon the problems of the cotton

farmer and would bring about an orderly solution to problems confronting this Government because of the accumulation of excess cotton supplies.

In sharp contrast, an approach has been outlined by the distinguished Senator from Georgia that differs from the committee's recommendations as much as night does from day.

You have been told it would reduce the production of surpluses, cut Government costs, get the Government out of the cotton business, maintain farm income, and, in general, give each part of the cotton industry more free play in the market. This would be done at whose expense? The farmers.

It is obvious that the proposals made by Senator TALMADGE are based upon H.R. 9811 which the Senate committee used as a starting point and promptly set aside because it was designed to change the entire framework of the program. It was laid aside because it cut deeply into the future prospects of the farmer and set a program stage that others in the industry might prosper with a lush level of profits.

Mr. President, may I bring to the attention of this Senate a clear-cut description as to how the cotton section of H.R. 9811, the basic pattern of Senator TALMADGE's proposals were put together. I quote from the July 9, 1965, issue of the Wall Street Journal:

HOUSE UNIT VOTES NEW COTTON LEGISLATION, BREAKING DEADLOCK THAT STALLED FARM BILL

WASHINGTON.—The House Agriculture Committee finally broke the long deadlock on cotton legislation that has tied up the Johnson administration's farm bill.

By a vote of 20 to 13 the panel approved a new system of cotton price props and acreage controls that stresses bonus prices for growers who curtail production. Its multi-fold objectives are to sustain grower income, reduce surplus stocks and Federal outlays, and keep the cotton costs of domestic textile mills pegged at world market levels.

Cotton brokers and dealers also figure to benefit because the legislation promotes price speculation and encourages the placement of cotton crops on the open market rather than under Federal price shelters.

The measure adopted by the House unit yesterday follows guidelines laid down by northern and western members last week after cotton State panelists proved unable to get together on proposals of their own. Several cotton emissaries, notably Democrats, HAGEN of California, JONES of Missouri, and POAGE and PURCELL, of Texas, ultimately joined with the northerners after gaining committee approval of concessions sought by back-home growers. The "no" votes were cast by six Deep South Democrats and seven Republican foes of nearly all Federal farm programs.

The House bill would slash the Government's cotton price support, currently 29 cents a pound, to 21 cents for the 1966 crop. In the 3 succeeding years, the price prop would be 90 percent of the world market price, now between 23 and 24 cents a pound.

A domestic price skid that big, taken by itself, would probably put most U.S. cotton growers in the red. Thus, the effect of the bill is to make them dependent on supplementary Federal payments which are provided only for those growers who agree to cut acreage by at least 15 percent. The aim is to trim a new cotton production below

demand, in order to promote the sell-off of cotton surpluses mounting in Government warehouses.

As a lure to influential California growers, the bill would lift all acreage restrictions for producers willing to operate without any Federal price supports or bonus payments. Only a handful of growers who specialize in premium quality cotton that sells for well above the world market average would be likely to take advantage of this, but their voice is important in California cotton circles.

The legislation would assure cotton textile mills of low-cost raw material. A Federal subsidy that started with the 1964 crop is designed to keep mill costs down to the world market level paid by foreign competitors, but the subsidy arrangement has cost the Government far more than expected. In effect, the House committee's bill would channel the subsidy to growers instead of mills. Economy features would cut Federal costs to a projected \$650 million yearly from around \$900 million in the fiscal year just ended on June 30. (Even this reduction isn't enough to suit Federal budget planners who hope to impose a \$600 million annual ceiling on cotton program costs.)

Mr. President, the amendment would restore the basic provisions of the House bill which I have outlined was not written by farmers, but by those who live off of farmers.

On yesterday I documented the textile mill use of the reduction in raw cotton prices which they had promised to pass on to consumers. I pointed out that their earnings per share had doubled and more in many instances—that the earnings before taxes of the industry as a whole had doubled in the past year. They did not reduce the costs of textiles at the mill door. In fact, they raised them.

Mr. President, this certainly is not a consumer's bill, though it would further reduce the raw cotton prices to the mills. The consuming taxpayer would not benefit from a continued history of the past year.

It is not a cotton producer's bill because it would destroy the national minimum allotment on which he has capitalized his land, equipment, gins, and other services necessary for the production and handling of cotton. The arbitrary 10-percent reduction in allotments in order to be eligible to participate in the price support and payment program is a high price to pay for the privilege of being a cotton farmer. The author of the amendment, I believe, recognized the bad features of the House bill and has endeavored to mitigate their effect in the drafting of his amendment. He reduced the 15-percent mandatory reduction to 10 percent. Though this reduction provides some little relief, it maintains the onerous approach developed in the House committee. The author of the amendment closed half of the door in open end plantings because I believe he recognized that this is unfair legislation even to the producers in the South and East. The author of the amendment struck the lease and sale of allotments provisions that were in the House bill that were included there to obtain votes to report the bill to the floor.

Mr. President, in spite of the whittling done by the author of the amendment on the House title on cotton, we still have a monstrosity for the farmer that would destroy forever his ability to produce for exports and confine him for the future to producing for domestic consumption. It is a bill designed to facilitate the operations of cotton merchants and broaden their profit potential, a bill designed to insure hedging in the exchanges and multiply many times their current volume of business, and a bill to further widen textile mill profits on cotton operations. I assure you again that the bill is not designed for the benefit of the cotton producer, ginner, warehouseman, nor consumer. This is the group who through reduced production and reduced volume will make the initial heavy payment of the costs of this program on their income potential.

Those who vote for the cotton substitute offered by Senator TALMADGE are voting to reduce the price of cotton in the country markets on the streets of Lubbock, Harlingen, El Paso, Pine Bluff, Memphis, Greenville, Charlotte, Macon, and Statesboro—from Virginia through Arizona—by 8 cents per pound in 1966 and 2 to 4 cents more reduction from 1967 through 1969. You are being asked to vote the price of cotton down to 15 cents and less in much of Texas and Oklahoma.

The Talmadge proposals will reduce the market value of cotton and cottonseed by more than a billion dollars per year. Is that justice to the cotton farmer? Will it get the Government out of cotton?

It is a bad amendment and I hope it will be defeated.

Mr. TALMADGE. Mr. President, I yield myself as much time as I may have remaining.

The PRESIDING OFFICER (Mr. HARRIS in the chair). The Senator from Georgia is recognized for 10 minutes.

Mr. TALMADGE. Mr. President, 40 years ago the United States of America produced 16,105,000 bales of cotton.

What is the picture today? Last year we produced 15,180,000 bales of cotton. In other words, our total production of cotton has declined by almost 1 million bales during the last 40 years.

But what has happened to the production of foreign countries during this same period? Forty years ago the combined total of all foreign cotton-producing countries produced only 12,135,000 bales of cotton, or some 4 million bales less than the United States.

However, in 1964, production outside the United States came to 36,425,000 bales, an increase of over 24 million bales. This means, while U.S. production has suffered an overall decrease in total baleage during this 40-year period, foreign production has enjoyed a 300-percent increase in production for the same period.

Does this represent progress? Is this the kind of farm bill that is designed to help the farmers? Are we to continue to "plow under" our farmers? Are we to continue to hold a price umbrella over the foreign producers and say, "Yes, you

may profit, because we are not going to allow our American farmers to plant cotton. We shall continue to restrict their acreage year after year in continuation of this same old policy of 'plow the farmers under'."

The majority of the Senate committee would say, "Yes, that medicine is bad, just as you have demonstrated TALMADGE, but that is what we want. Let us continue to plow them under. Let us continue to expand cotton production in the rest of the world."

I cannot, and do not, subscribe to that theory. Due to that type of approach, the synthetic industry has dramatically expanded not only in the United States of America, but throughout the entire world.

The substitution of synthetics for cotton fibers is increasing rapidly, and many cotton mills now use a far greater quantity of synthetics than they do cotton.

While we have been plowing our farmers under, while we have been restricting our acreage, while we have been encouraging the rest of the world to produce, what has happened? We have accumulated 15,700,000 bales of unusable and unsalable cotton in our warehouses.

Who gets the benefit from warehouse storage? Not a living human being on earth, except the men who own and operate warehouses. In this sense, I speak also of the Government commodity warehouses. At present we have over 11 million bales of cotton in CCC, for which there is storage, depreciation, and handling costs. What does it cost to keep cotton in CCC? According to the Department of Agriculture, \$25.15 a bale for each bale stored. Bear in mind, these costs are borne by the taxpayers of our country. Furthermore it is extremely harmful to the farmers to have such an enormous surplus threatening the existence of their program, and for the Government to be unable to move stocks into the normal channels of trade.

While our exports have persistently declined over the past several years, our surpluses have steadily mounted.

Is this the type of program we are going to choose for our farmers? It shall never be my choice. I want my farmers to plant. I want them to produce. I want them to receive a fair payment in return for what they produce. But this is a far cry from the type of program we have had in the United States of late, characterized by the pawnbroker feature under which we have operated for so long.

I say that when it become evident that the patient will not respond to a certain medicine and is so sick he is about to die, then it is time to prescribe a new remedy and seek a cure. I say that the time has come and we have found a cure. It is to make our cotton competitive both at home and abroad with synthetics and foreign textile products. Once we have enabled our cotton to compete in these markets, then our stocks can be depleted to a reasonable level, and our markets greatly expanded.

What will happen to farm income? I certainly do not propose to restrict it

one dollar. On the contrary, the amendment which is pending before the Senate would increase farmer income. If he produces, the small farmer—the 10-acre man whom the chairman spoke of—would receive a greater income under my amendment than he would under the committee proposal. He would be guaranteed 35.65 cents for every pound of cotton produced on every square foot of his entire acreage allotment. The larger farmers who produce for domestic consumption would receive far better prices than they do at the present time, or would under the chairman's program. They would receive payments for diverting acres in order to reduce surpluses to a level at which we could again produce cotton more freely and get the cotton business back into the hands of private trade.

Mr. President, it is very easy to demagog a textile mill. It is particularly easy to demagog a textile mill when one does not have a mill in his home State. But in my States there are textile mill employees who are walking the streets unemployed looking for jobs. I have had many thousands of them in my State over the past several years.

There have been many thousands of these unfortunates throughout the United States for too long a time. I think it is time we enact a farm program that is fair, not only to our farmers, but to everyone who is affected the misfortunes of the cotton industry. That includes the ginner, the crusher, the warehouseman, the man who buys raw cotton, the man who spins it, the man who works on the loom, and finally the man who exports a finished product and the man who sells it. That is the kind of cotton program I urge the U.S. Senate to agree to.

What about cost comparisons of my amendment with the committee plan? The Department of Agriculture has estimated that the pending amendment would cost, during the next 4 years, \$762 million less than the amount contained in the bill as reported by the committee. That statement was inserted in the RECORD yesterday.

What about present surpluses? At the present time we have a carryover of something in excess of \$15 million. The estimates of the Department of Agriculture show that if the committee bill is agreed to by the Senate, we shall have at the expiration of the program a carryover of 12,550,000 bales of cotton, equal to a 2-year supply. In other words, cotton will be just as critical 4 years from now as it is presently.

What about the Talmadge proposal pending at the desk? The Department of Agriculture has said that we shall have a carryover at the termination of this proposal of 8.7 million bales, or approximately a normal carryover.

Mr. President, that is the issue before the Senate. The future of cotton is at the crossroads. The producer is being driven out of business. It is becoming increasingly difficult for domestic cotton to compete with foreign production and synthetics. The costs are burdensome to the taxpayers of our country, and it is time that the U.S. Senate faced up to

the desperate plight of cotton. We made a mistake in placing the farmer in the hands of a Government manipulated and dominated farm program. We must free him and compensate for the difference between prices received and parity with direct payments just as we have done successfully with wool, sugar, feed grains, and wheat.

Why should we do any less for our cotton farmers?

Mr. KENNEDY of New York. Mr. President, I shall vote today for the Talmadge amendment to the omnibus farm bill. The amendment offered by the Senator from Georgia essentially restores the one-price cotton system which was contained in the bill as it was passed by the House.

The one-price cotton proposal, which is what the administration has proposed, offers some hope for bringing cotton back into the free market system. It can have significant effects in lowering cotton surpluses and in putting cotton on the world market on a realistic basis.

Without a per pound loss to producers, the Talmadge substitute will help the American consumer by stabilizing the price of cotton contained in the garments and other textile products which he purchases. The one-price system is simpler than the proposal which the Senate committee adopted, and will allow cotton to move freely and competitively through the normal channels of trade, the income loss to farmers being made up through direct payments.

To me, this is the most hopeful avenue for bringing the United States back into a balanced position in the world cotton market. By contrast, the proposal which the Senate committee has adopted could have serious adverse effects in the world market. The dumping of cotton which it contemplates could have most unfortunate repercussions on the world price.

I hope, therefore, that the Senate will accept the amendment offered by the Senator from Georgia. It has the support of many cotton producers, of the textile industry, and of cotton shippers and merchants.

The PRESIDING OFFICER. All time has expired. The hour of 12 o'clock having arrived, the question is on agreeing to the amendment of the Senator from Georgia [Mr. TALMADGE]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

Mr. MILLER (when his name was called). On this vote I have a pair with the Senator from Nebraska [Mr. HRUSKA]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. SMATHERS (when his name was called). On this vote I have a pair with the Senator from Minnesota [Mr. McCARTHY]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Connecticut [Mr. RIBI-

COFF]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. HARTKE (when his name was called). On this vote I have a pair with the Senator from Arkansas [Mr. FULBRIGHT]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. BAYH (when his name was called). On this vote I have a live pair with the Senator from Utah [Mr. MOSS]. If he were present and voting, he would vote "yea"; if I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], and the Senator from Michigan [Mr. HART] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. McCARTHY], the Senator from Utah [Mr. MOSS], and the Senator from Connecticut [Mr. RIBI-COFF] are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan [Mr. HART], and the Senator from Idaho [Mr. CHURCH] would each vote "yea."

On this vote, the Senator from Indiana [Mr. BAYH] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Indiana would vote "nay" and the Senator from Utah would vote "yea."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Arkansas would vote "nay."

On this vote, the Senator from Montana [Mr. MANSFIELD] is paired with the Senator from Connecticut [Mr. RIBI-COFF]. If present and voting, the Senator from Montana would vote "nay," and the Senator from Connecticut would vote "yea."

On this vote, the Senator from Florida [Mr. SMATHERS] is paired with the Senator from Minnesota [Mr. McCARTHY]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Minnesota would vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. HRUSKA] is absent on official business and his pair has been previously announced.

The result was announced—yeas 62, nays 24, as follows:

[No. 252 Leg.]

YEAS—62

Aiken	Dominick	Kennedy, Mass.
Allott	Douglas	Kennedy, N.Y.
Bible	Ervin	Kuchel
Boggs	Fannin	Magnuson
Byrd, Va.	Fong	McGee
Byrd, W. Va.	Gruening	McIntyre
Cannon	Harris	McNamara
Case	Hill	Metcalf
Clark	Inouye	Mondale
Cotton	Jackson	Monroney
Curtis	Javits	Morse
Dirksen	Jordan, N.C.	Morton
Dodd	Jordan, Idaho	Murphy

Muskie
Nelson
Neuberger
Pastore
Pearson
Fell
Prouty
Proxmire

Randolph
Robertson
Russell, Ga.
Russell, S.C.
Saltonstall
Scott
Simpson
Smith

Sparkman
Talmadge
Thurmond
Tower
Tydings
Williams, N.J.
Young, Ohio

NAYS—24

Bass
Bennett
Brewster
Burdick
Carlson
Cooper
Eastland
Ellender

Gore
Hayden
Hickenlooper
Holland
Lausche
Long, Mo.
Long, La.
McClellan

McGovern
Montoya
Mundt
Stennis
Symington
Williams, Del.
Yarborough
Young, N. Dak.

NOT VOTING—14

Anderson
Bartlett
Bayh
Church
Fulbright

Hart
Hartke
Hruska
Mansfield
McCarthy

Miller
Moss
Ribicoff
Smathers

So Mr. TALMADGE's amendment was agreed to.

Mr. TALMADGE. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. PASTORE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, during the markup of the bill, the committee adopted as a committee amendment an amendment which I proposed, which is section 706 of the bill beginning on page 109, line 24 and ending with line 8 on page 110.

Mr. President, it develops that this amendment as proposed by me is so worded as to cover greater territory that I believe to be the principal point for discussion during this debate. Therefore, I ask leave to propose, for myself, my distinguished colleague [Mr. SMATHERS] and the distinguished Senator from California [Mr. MURPHY] a substitute amendment which I send to the desk. This amendment, in effect, would do nothing but strike from the wording of that part of the bill the words which relate to all other activities affecting agricultural commodities except labor.

Mr. President, I have been advised that at a later time certain Senators will propose to strike this amendment from the bill, and debate should well be postponed until that time. I have cleared this matter with some of them, and I understand that the question has been rather well cleared.

If there is objection to this substitute, we will gladly withdraw it, but it will mean two debates instead of one.

Mr. ROBERTSON. Mr. President, will the Senator from Florida yield for a question?

Mr. HOLLAND. I yield.

Mr. ROBERTSON. The Senator's original amendment provided that when the question arose concerning the need for foreign workers to pick the crops and fruits, the Secretary of Agriculture should make the recommendation instead of the Secretary of Labor. Has the Senator abandoned that?

Mr. HOLLAND. Let me say to the Senator from Virginia that not only have I not abandoned it, but I have concentrated on it by eliminating some of the

wording which applied to certain fields of agricultural operations. I find that Senators who proposed to direct their objections to my amendment are interested only in that particular part of the amendment which I have retained.

Mr. ROBERTSON. I should like to be associated with the distinguished Senator from Florida in this move, because today we are having some personal experience with this problem.

A large apple crop is ready to be picked. We have gone into 46 different areas to try to find the 5,000 workers we need. We have found only 1,000 workers. We have not found a single one more who is willing to pick apples on a bushel basis, under which they could make from \$20 to \$25 a day. Why? First, because they have no skills. Second, because they do not wish to work very hard, even though they would be taking the guaranteed wage of \$1.65 an hour, which is quite high for farm labor.

We asked for 1,500 workers from the Bahamas, and we have not heard from them yet. I understand from the Senator from California that he was told those workers could be brought in. California has lost in strawberries, asparagus, prunes, and lemons, and now it faces a terrific loss in the current crop of tomatoes.

When we were considering the supplemental request for \$1,900,000 to expand the program in the current year, for recruiting more farm labor domestically, I asked for a report of what had been done with the original appropriation and the Department could not furnish it. They did not know where they sent anyone, or how long a worker stayed. Out of the number who say they will report for work perhaps not more than 10 percent will report, and those who do get there do not stay.

In Virginia, we are offering free transportation, and free sleeping quarters, much better than our troops in the jungles of southeast Asia are provided.

They would receive 15 cents a bushel plus a bonus of 2 cents. If the workers remain for the crop, they can make \$25 a day for an 8-hour day. They will not report for work.

Under those circumstances I do not believe that we should continue to ask the Department of Labor to supervise this matter when its judgment has proved to be so erroneous all through this season.

Mr. HOLLAND. Mr. President, I could not agree with the Senator more thoroughly.

The proposed amendment concentrates the amendment which I requested of the committee, and which was agreed to by the committee, to the extent that it refers only to the problem which the Senator is so ably discussing.

I shall be fighting as hard as he will be to give to the Secretary of Agriculture, the right, the authority, and the duty to fix the number of workers needed and the timeliness of their work, in such a way that if the Secretary were to make a mistake, growers could have access to the courts to correct the mistake. They cannot have such access to the courts under the present law by an appeal from the findings of the Secretary of Labor.

Mr. ROBERTSON. Mr. President, I thank the Senator. I hope that his amendment, as revised, will be agreed to. It has my wholehearted support.

The VICE PRESIDENT. Is there objection to the request of the Senator?

Mr. HOLLAND. Mr. President, I yield to my distinguished friend, the Senator from Tennessee.

Mr. BASS. Mr. President, I have an amendment which has been placed on the desks of all Senators. My amendment would strike the amendment of the Senator from Florida. However, I do not plan to offer my amendment today.

I understand that the Senator from Florida desires that I offer the amendment on Monday. I shall withhold the offering of my amendment to strike the amendment in the committee bill.

I have no objection to the revision offered by the Senator from Florida. However, I want it understood that, even with the revision, I do not support this section of the bill, but shall offer an amendment when we meet on Monday, to strike the entire section as amended.

Mr. HOLLAND. Mr. President, that statement is in accord with my previous understanding had with the distinguished Senator from Tennessee.

I understood that he had conferred with various colleagues who had the same interest that he has, and that this course of action is agreeable to them.

Mr. BASS. The Senator is correct.

Mr. HOLLAND. Mr. President, I ask that the amendment be stated and agreed to.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed by Mr. HOLLAND, as follows:

Beginning on page 109 with line 24, strike out all through line 8 on page 110 and insert the following:

"SEC. 706. Notwithstanding any other provision of law, whenever the application of any law of the United States requires determinations to be made of the amounts of labor needed for the production and harvesting of any agricultural crop, or of the availability thereof for such production and harvesting, such determinations shall be made by the Secretary of Agriculture and shall be accepted by all agencies of the United States in the carrying out of activities in which such determinations are needed."

Mr. HOLLAND. Mr. President, if the amendment is agreed to, I shall then ask that the amendment be considered as a part of the original bill so that no point of order can be made. I want everyone to understand the situation exactly as the Senator from Tennessee and I understand it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Florida.

The amendment was agreed to.

The VICE PRESIDENT. Is there objection to the adoption of the amendment as original text to the bill?

The Chair hears none, and without objection and by action of the Senate the amendment of the Senator from Florida is considered as original text to the bill, subject to further amendment and action by the Senate.

Mr. HOLLAND. Mr. President, as I understand, the way in which the distinguished Presiding Officer has put the

matter makes it unnecessary for me to ask that the amendment be regarded as part of the original bill.

The VICE PRESIDENT. The Senator is correct.

Mr. BASS. Mr. President, without trying to address myself to the issues involved in the amendment which I shall offer on Monday, I want it to be clearly understood that I believe now that the amendment that has been offered and revised by the distinguished Senator from Florida will pinpoint the issue that has to be discussed, as to who shall make the determination regarding the needs, qualifications, and treatment of migrant workers, the so-called braceros, who are brought into this country year after year as imported labor.

For several years during my experience in Congress, I supported this program. However, I feel that we must settle the question of how the determination shall be made, when it shall be made, and all the other factors involved.

The main objection that I have to the amendment is that I consider this to be strictly an extraneous matter. It should not be connected with a general farm bill of the nature that we are considering today.

I believe that hearings should be held, a broad study should be made of the subject, and some determination should be made. The matter should not be handled by means of a single amendment to a major farm bill.

Mr. HOLLAND. Mr. President, I yield to the Senator from Missouri.

EQUAL RIGHTS FOR AGRICULTURE SALES FOR GOLD

Mr. SYMINGTON. Mr. President, the distinguished senior Senator from Connecticut made a talk yesterday opposing the amendment in the currently considered agriculture bill. All this amendment does is request that the sale of agricultural products to countries behind the Iron Curtain should not be prohibited or penalized more than manufactured products.

The Senator discusses and then disagrees with several arguments used in favor of selling agricultural products; but he omits any discussion of what, to my mind, is by far the most important argument for such sales; namely, the fact that all the other countries of the free world, countries we continue to defend and finance, including our two chief enemies in World War II, through such sales are now building up heavily their own gold stocks at the expense of the United States; and this to the point where, unless this continuing loss of gold to them can be reversed, the future value of the dollar will be heavily impaired.

In itself this would be a disaster, because one of our basic concepts in this the American way of life is to first work hard over a long period; and then, through such policies as social security, retirement plans, pensions, life insurance, and so forth, retire on a fixed amount of money.

If through the continuing sale of agricultural products by our friends and allies to countries behind the Curtain, this gold flow to other countries in turn continues at our expense, the value of the dollar will be affected to the point

where the annual return to tens of millions of Americans that is considered essential for satisfactory retirement will be totally inadequate because of heavy loss in the purchasing power of the dollar.

The distinguished junior Senator from Minnesota answered most effectively points raised by the Senator from Connecticut, ably pointing out for example the vast differences between the sale of scrap iron and the sale of wheat.

The Senator from Minnesota also presented what we know, namely, that both the late President John F. Kennedy and President Lyndon Johnson have urged trade of this type and character, as they and the rest of the world watch such developments as "proliferation" and the unprecedented telescoping of time and space in this nuclear age.

Last year, with several other Senators, I listened to the head of West Germany industry, Dr. Fritz Berg, state that ever since the end of World War II, the West German Government had done everything in its power to sell all products possible behind the Iron Curtain; and to buy all possible from those same countries. He pointed out with pride that as a result, West Germany now bought more, and sold more, behind the Iron Curtain than any other nation in the world.

In open Senate hearings both the Secretary of the Treasury and the Secretary of Commerce testified that to the best of their knowledge the United States was the only highly developed industrial country in the world which was not doing its best to sell as much as it could to countries behind the Curtain.

As the Senate knows, except for a general war, I believe there is no more serious problem facing this Nation and the world than our continuing unfavorable balance of payments, including a steady loss of gold for over 16 years.

Today the United States possesses less than 25 percent of that free gold necessary to pay off the current liabilities it has incurred with foreign countries, primarily the foreign central banks. If these countries called for payment in gold, we would either have to pay, or go off the gold standard.

To those who say this is beyond the realm of possibility, let me remind them that not one person in a million would have predicted in 1929 that Britain would be forced to go off the gold standard in 1931, and that action, more than any other, wrecked the world's economy.

Let me ask this simple question: How long can the United States, first, continue to defend most of the free world; second, finance most of the free world; and third, refuse to sell behind the Curtain when at the same time all other countries of the free world do so, increasing thereby their gold supply while ours is being reduced, thus jeopardizing the future value of the dollar.

It is with deep regret that I noted references to actions of the past which have little to do with the world situation of today, a time when every country once considered far away, in effect, is now in the same county.

Regardless of who is right, many policymakers in this Government with as much experience as any Member of the Senate, place a great deal of hope for the future in possible growing friction between the two leading nations behind the Iron Curtain.

As to whether it would benefit the United States for the Soviets to become apprehensive about such statements as those made only last Saturday by Red China's Marshal Lin Biao, I do not know. This long address attacked some of the leaders of the Soviet Union almost as much as it did the United States.

In his talk the Senator from Connecticut used the word "appeasement."

I personally do not believe there could be appeasement in the promotion of such a rift.

I do not believe there was appeasement in the amendment proposed to the Senate by the Senate Agriculture Committee, or the amendment with the reference to this problem which I had the privilege of introducing in the absence of the Senator from South Dakota.

The policies expressed therein were recommended by the late President John F. Kennedy and by President Lyndon B. Johnson.

I do not believe there was any appeasement in John F. Kennedy and I do not believe there is any appeasement in Lyndon Johnson.

One of the chief reasons why I wanted to come to the Senate was to continue my efforts over a great many years to maintain a strong America in order to maintain a free America. And I would never back any amendment which worked against that policy.

No one has accused anyone in promoting the gold reserves of other countries such as France, and I am sure no one has that in mind, especially as the latter country would now appear to be almost as firm in its decision to destroy collective security in Europe today as were other European countries to destroy that collective security in the 1930's.

The sale of food and fiber for gold is a definite step toward improving the economic strength of the United States; and I would point out to those who disagree that in our way of life, the Nation's physical strength, already heavily strained, all over the world, can only come from our declining fiscal and monetary strength.

It is General de Gaulle himself, a devotedly religious man, as he continues to build the power of France, who believes that whereas ideologies come and go, national interests always remain.

I would hope, as we discuss this matter and related matters, that we give this philosophy some consideration.

Mr. MONDALE. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from Oregon.

Mr. SYMINGTON. Mr. President, I had the floor.

Mr. LAUSCHE. Mr. President, who has the floor?

Mr. MONDALE. Mr. President—

The VICE PRESIDENT. The Senator from Missouri has the floor.

Mr. LAUSCHE. Mr. President, I thought the Senator from Alabama had the floor and yielded to the Senator from Missouri. I have been waiting. The Senator from Oregon [Mr. MORSE] has been waiting to make a speech. Now, through some circuitous route, another Senator obtains the floor.

The VICE PRESIDENT. The circuitous route is the rules of the Senate. The Senator from Missouri has the floor.

Mr. SYMINGTON. Mr. President, I would yield—

Mr. LAUSCHE. Mr. President, when did the Senator obtain the floor?

The VICE PRESIDENT. About 7 minutes ago.

Mr. SYMINGTON. Mr. President, I yield to the Senator from Minnesota—

Mr. LAUSCHE. What becomes of the—

Mr. SYMINGTON. Mr. President, I demand the regular order.

Mr. LAUSCHE. Mr. President, I call for the regular order.

Mr. SYMINGTON. Mr. President, I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I wish to commend—

Mr. LAUSCHE. Mr. President, regular order. I did not intend to call for the regular order, but since the Senator from Missouri did, I call for it. It is only 12:20 p.m., and the matter under discussion is not germane to the matter before the Senate.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I ask unanimous consent, with the concurrence of the Senate, that the Senator may proceed briefly.

Mr. SYMINGTON. Mr. President, I appreciate the courtesy of the majority leader, but the sale of wheat, food, and fiber of the Nation is pertinent to the discussion of the matter now before the Senate. Therefore, the Senator from Ohio is out of order, and I proceed in order.

Mr. LAUSCHE. The Senator from Missouri is out of order.

Mr. SYMINGTON. Mr. President, that is incorrect. I now yield to the Senator from Minnesota.

Mr. LAUSCHE. Mr. President, I withdraw my objection.

Mr. SYMINGTON. I thank the Senator.

Mr. MONDALE. Mr. President, I commend the distinguished Senator from Missouri for his excellent presentation of the balance-of-payments problem as it relates to American sales of wheat to Russia and other Iron Curtain countries.

In 1963, the late President Kennedy announced his view that such trade was in the national interest. As a part of the procedure toward seeing that there might be more commercial sales, he directed the Secretary of Commerce to study the subject. The Secretary proposed a requirement that 50 percent of the bottoms used to carry commercial cash sales be carried on U.S.-flag ships.

The result was that over the long run this increased the cost of American wheat by between 11 and 14 cents a bushel over the world price, depending on the port. The result was that the

Mr. SYMINGTON. I am glad to yield to the Senator from New York. I know that he has studied this proposal carefully.

Mr. JAVITS. I am only a window-box farmer who has a particular interest in this subject. On the question of the balance of payments, on which the Senator and I jostled before, I agree that it is a difficult problem and that we must deal with it. The Senator from Missouri is an accomplished businessman. I have had experience in business, too. I feel that we cannot be so all-fired scared. We do not want the situation to get out of hand; hence I am in accord with the voluntary program. Although I am much against the equalization tax, I think we have a tendency to be so much afraid of it as to want to eliminate it entirely.

Mr. SYMINGTON. The senior Senator from New York and I understand each other. He has some thoughts on balance of payments to which I have listened with great respect.

In this particular case I know he does not mean that he would object to our selling agricultural products of the United States for gold.

Mr. JAVITS. For gold. I voted for that. Not only that, but I voted to sell them on modest credit terms.

As the Senator knows, for a long time I was Chairman of the Economic Committee of the NATO Parliamentarians Conference. One of the major things we have insisted on is an equalization of policy between the United States and other countries in the alliance with respect to selling to the Eastern European Communist bloc.

I feel—and that is what this policy expresses—that if we are not in the act, we cannot have any influence on the policy.

Mr. SYMINGTON. The Senator is correct.

Mr. JAVITS. In other words, if we stand away from it, we cannot expect to have influence upon them. I feel that we have to apply the GATT trade rules in any major expansion of trade with Eastern Europe. On that ground, we should be in the program if we are to have influence. I am sure I agree with the policy the Senator stated.

Leaving aside a discussion of the balance of payments, if we recognize the problem of American merchant marine and grant a subsidy, is it not true that that is a necessary corollary of the policy the Senator recommends? We would be required to pay a subsidy to the American merchant marine, including American seamen. We would say to them, in effect, "We understand it is in the national interest to keep you viable, but this should not destroy the total economics of the United States. We would rather keep you viable and keep American ships going, but without imposing upon the other business of the United States a completely uneconomic mess, that cannot be justified except on subsidy grounds."

Mr. SYMINGTON. The senior Senator from New York has made a wise observation from the standpoint of the overall problems of the economy. There

are many other ways in which conditions can be recognized with respect to the problems of those in the maritime union. I do not believe one of them should be penalizing the American farmer, making him noncompetitive in the free market with sales of agricultural products for gold.

Mr. JAVITS. Those of us who vote that way can say to the American seamen that at one and the same time, we are perfectly willing to work out the terms of keeping them viable and afloat, while not destroying the process of American farm policy.

The seaman has a right to have us tell him that, at one and the same time.

Mr. SYMINGTON. I agree with the Senator from New York, and now yield to the Senator from Maryland.

Mr. BREWSTER. I thank the distinguished Senator from Missouri for yielding to me. I commend the Senator for his brilliant analysis of an intricate and complicated problem and also, once again, express my great admiration for his outstanding talent.

Mr. SYMINGTON. The Senator from Maryland is much too kind. Especially from him, because of my respect and admiration, I appreciate what he says.

Mr. BREWSTER. With the Senator's permission, I should like to comment on this general subject.

I have at the desk amendment No. 440, which I propose to call up on Monday next. The amendment would strike section 703 from pages 108 and 109 of the bill. It seems to me that the assumptions which lie behind the thinking that caused the insertion of section 703 in the bill are twofold and erroneous.

First, the proponents of section 703 argue that the restrictions placed on commercial wheat sales represent favoritism toward the American Merchant Marine; second, that shipping restrictions are preventing large sales of wheat to the Soviet Union.

First, the requirement that 50 percent of any wheat sold to Russia be shipped in American ships means an additional freight cost of 11 cents a bushel, because of the higher wages paid American seamen. Yet at the same time that we hear the cries of favoritism because of the 11-cent freight differential, we hear no cries of favoritism about the price differential which the Government now pays.

Mr. SYMINGTON. Mr. President, will the Senator yield back at that point?

Mr. BREWSTER. I yield.

Mr. SYMINGTON. I am not a member of the Committee on Agriculture and Forestry, but respectfully refer to the committee amendment and present to the Senator the fact it provides that greater restrictions should not be applied to agricultural products than other commodities. All the farmer is asking for is reasonable equal opportunity and rights with the manufacturers of this country.

Knowing of the Senator's belief in private enterprise, may I present that we are now talking about a Government regulation with respect to helping a particular union in connection with sales that are private.

The Senator from South Dakota is a member of the Committee on Agriculture and Forestry, so he can develop the point more fully. I supported his amendment on this question.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. McGOVERN. First, I point out, to the Senator from Maryland that this restriction as it operates today is not helping the maritime industry one iota. It is not generating one additional dollar for the U.S. maritime industry. If the Senator from Maryland could show me and other Members of the Senate how this restriction is producing \$100 million in business for the U.S. maritime industry, even though it was coming out of the pockets of American wheat farmers, perhaps an argument could be made that at least someone in this country is gaining at the expense of someone else. But the restriction does not work that way, for the simple reason that, because of this restriction, neither the wheat farmer nor the maritime industry has derived one dollar of business from the sale of wheat to the countries of eastern Europe and the Soviet Union.

Thus, while I can understand the Senator's logic in arguing that some kind of subsidy may be in order for the American merchant marine, this is not the way to do it, because this restriction is killing business for the American merchant marine as well as for the farmers. Because of this restriction, there is not one bushel of wheat moving.

Mr. BREWSTER. In answer to my very distinguished and learned colleague, let me argue that the Government-subsidized price of wheat in this country is 50 cents a bushel higher than the world market price of wheat. Taxpayers pay this 50 cents a bushel, which is five times higher than the freight differential we are discussing.

Mr. McGOVERN. Does not the Senator realize that both in 1964 and 1965 we had a two-price system on wheat? The wheat that goes into export is marketed at world prices. We are going to be dealing with my amendment shortly—which I am sure will be accepted by the Senate, and which has been cleared on both sides of the aisle—which would perpetuate the two-price system and permit wheat to move into export at the world market prices without any subsidy at all. Thus, I believe that if the Senator is concerned about that point, once the wheat amendment we are about to consider has been adopted—assuming that it will be adopted by the Senate—it has already been approved on the House side—the subsidy he is worrying about on the export side will disappear, and I hope that it will lead to a withdrawal of his objection.

Mr. BREWSTER. On that very point, in 1964, the wheat export subsidy totaled \$97 million. It seems to me that more favoritism is being shown the wheat exporter than the American merchant marine. If the Russians were forced to pay this price differential of 58 cents a bushel, they would be reluctant to make any purchases.

I invite the attention of Senators to a statement made by Secretary of State Dean Rusk last month, that the Russians have not made any approach to the United States concerning any purchases of wheat.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Maryland yield?

Mr. BREWSTER. I yield.

Mr. YOUNG of North Dakota. Did I correctly hear the Senator say that the export subsidy was 58 cents a bushel?

Mr. BREWSTER. In answer to the Senator's inquiry, I stated that the wheat export subsidy in 1964 amounted to \$97 million.

Mr. YOUNG of North Dakota. This was before the present program went into effect, there is practically no export subsidy at the present time; is that not correct?

Mr. BREWSTER. The Senator is correct.

Continuing with my brief presentation. Another misconception which seems to me to be widespread is the notion that 50 percent of the American shipping requirement has impeded huge wheat transactions.

I point out that the Wall Street Journal of last August 30—2 weeks ago—reported that Russia could have purchased wheat more cheaply from the United States, even with the shipping requirements, than from Canada, yet the Soviet Union still purchased 222 million bushels of wheat from Canada in August. The Canadian price was \$2.22 a bushel. The American price, including the freight cost of American ships, was \$2.03.

Mr. President, to summarize, it seems obvious to me that it is not undue favoritism to require that 50 percent of the wheat sold to Russia be shipped in American ships, and that it is surely not this requirement which is holding up any sales to the Soviet Union.

This being the case, on Monday next, I shall offer an amendment, No. 440, which would strike out section 703 of the bill.

Mr. President, yesterday, each of us received a detailed letter from the president of the AFL-CIO, Mr. George Meany. Mr. Meany wrote to explain the position of organized labor on the shipment of wheat to Russia in foreign bottoms.

A recent issue of the Baltimore Sun published a summary of the contents of the Meany letter in an excellent article on the subject written by Helen Delich Bentley. Mrs. Bentley is one of the recognized experts in this country on maritime matters, and this article is particularly timely to our debate today.

For this reason, and because I believe that every American should understand this problem and have the benefit of Mr. Meany's views, I ask unanimous consent to have Mrs. Bentley's article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEANY EXPLAINS RED GRAIN STAND—AFL-CIO PRESIDENT IN BID TO SET RECORD STRAIGHT

(By Helen Delich Bentley)

WASHINGTON, September 8.—George Meany, AFL-CIO president, today warned the Sen-

ate that no ships would be loaded with American wheat for the Communist bloc countries if through "ill-considered action" the lawmakers eliminated the requirements that half of any wheat sold to those nations must move on American bottoms.

In a 10-page document sent to each U.S. Senator, Meany went over the details which led up to the 50-percent provision and then proceeded to elaborate with his own views. He said he wanted to set the record straight.

This was the first public statement by the top labor leader as well as the first detailed statement ever issued by anyone involved with the donnybrook of February 1964, when longshoremen refused to load wheat for Russia because exporting firms were vacillating from the White House pledge to American maritime labor.

WOULD BE TRAGEDY

"It would be a tragedy if that hope of providing a long-range program for the American merchant marine were shattered and the function of the Presidential Maritime Advisory Committee destroyed by ill-considered action by the Senate, under the illusion that the nullification of a constructive understanding will succeed in getting ships loaded with American wheat."

Meany also said:

1. All the discussions concerning grain sales to the Soviet Union now are "hypothetical" as far as the AFL-CIO is concerned.

2. The allegations that the AFL-CIO is blocking consummation of such a sale are false.

3. If President Johnson should decide to make sales to Russia, the AFL-CIO would cooperate if asked to do so "in attempting to work out any reasonable new arrangements which might be necessary to facilitate it."

4. In so doing, the AFL-CIO would argue that the abandonment of the legitimate interests of the American merchant marine and of the public interest in the merchant marine is neither justified nor necessary to accomplish this purpose.

5. Seamen, as well as wheat farmers and the stockholders of Cargill, Inc., and Continental Grain Co., must eat, and it is wholly unnecessary and destructive to attempt to drive a wedge between the interests of farmers and workers, as some now seek to do, to resolve this issue in a manner fair to both.

6. If the freight rate differential is, in fact, the only barrier to a transaction with Russia, and if its consummation is deemed a matter of over-riding national interest, there are various ways in which the problem can be approached which would respect the legitimate interests of all parties and would not entail the betrayal of one vital segment of our economy by another.

7. The freight differential might be absorbed into the export subsidy as some of the costs of rail shipment to U.S. ports now are.

In his concluding remarks, the AFL-CIO chief stated that these and other alternative approaches merit serious consideration and discussion.

Any effort to arbitrarily abolish or negate U.S.-flag protection without putting a better plan or procedure in its place, can lead only to the most harmful consequences, he warned.

READY TO COOPERATE

"The AFL-CIO is ready at any time to cooperate fully in any effort to find a better method of achieving the objective sought by the 50 percent American-flag requirement. We are strongly opposed to any misguided effort to resolve the issue by the arbitrary and ruthless elimination of that requirement."

Meany took the time today to present the full statement to each Senator because of the pressure being applied to the agricultural bill to have an amendment passed thereto

that would eliminate the cargo preference requirement on wheat moving to Russia.

There also have been suggestions that if the amendment is not passed on that bill, it will be attached to the legislation that would eliminate section 14(b) (the so-called right-to-work clause) from the Taft-Hartley Act. Organized labor has been waging a strong fight to have 14(b) removed from the law.

In the course of the pressure by agricultural interests to have wheat sold to Russia again, forces on Capitol Hill as well as the press have been blaming the requirement that 50 percent of any such sales move on American-flag ships as the reason the Communists are not buying wheat from this country this year, although they placed a \$450 million order with Canada.

"These accounts have invariably misrepresented the position and role of the AFL-CIO and of myself in this matter," Meany stated.

Mr. BREWSTER. Mr. President, in conclusion, I argue that of course we should sell the food and fiber of the United States behind the Iron Curtain to the Soviet Union. It would certainly benefit our balance-of-payments program. All of our so-called allies across the world are making similar sales. It is utter foolishness for us not to sell something that we have in great abundance and in surplus, and which we now hoard at great cost in storage, interest, and spoilage. I also argue that the fourth arm of the U.S. defenses in our U.S. merchant marine, but that our U.S. merchant marine is now the withered arm of the U.S. security forces.

At the end of World War II—and I have made this same speech from this same desk time and again, but I repeat—we were the leading maritime nation in the world.

Today, we are far down the list.

Many small countries have more ships flying their flags than we have ships flying the flag of Uncle Sam. I resent this.

Mr. President, I also invite the attention of the Senate and the country to the fact that most nations require all of the government cargoes owned by their governments to be carried in their ships, when they have the ships.

It makes no sense to me to ship U.S.-owned cargoes in foreign ships under foreign flags, manned by foreign seamen.

As a representative of the second biggest port on the east coast, Baltimore, I believe that it is in the national interest to promote the U.S. merchant marine.

The men we now have in Vietnam, in 9 out of 10 cases, are carried there by ship. They should be carried there by our ships. The travels that many of us took in the 1940's in defense of our country, all over this globe, were made in U.S. ships.

It seems ridiculous to me that we should promote any policy which would be detrimental to the U.S. merchant marine.

Finally, I argue that this is a maritime and a merchant marine question, and that it should be settled in the Committee on Commerce. It is not appropriate to have it included in a farm bill.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER (Mr. HARRIS in the chair). The Senator from Vermont is recognized.

Mr. AIKEN. Mr. President, I believe that perhaps there is some misunderstanding concerning the situation presented by the Senator from Maryland. I commend him for looking after the important interests of his State, but I do not believe that we should let the impression get out that the merchant marine is such a great benefactor of the wheatgrowers of this country. In the first place, the wheatgrower does not have 45 percent of the cost of his farm paid for by the Government.

I am not sure, but I believe that 45 percent of the cost of our merchant ships is paid for by the Government, and has been paid for during the past 25 years, at least since I came to the Senate, but the important point is that on the exports of wheat, under Public Law 480 alone, the merchant marine will receive an estimated \$201 million in 1964 and 1965, and that amount is charged to agricultural appropriations.

I do not believe we can say that the merchant marine, particularly when it hamstring the exports of wheat to foreign countries, is any great benefactor of American agriculture. Furthermore, the \$201 million does not include the transportation costs on several hundred million bushels of wheat that was not sold or shipped under Public Law 480.

The United States has been overly generous with the merchant marine of the United States. I recall during World War I, when many of the older ships were sunk by German submarines, largely between here and the Caribbean, that the insurance which the United States paid to the owners in one case was 68 times the value of the particular ship. Other insurance costs were paid accordingly. The United States has been overly generous to the American merchant marine. It has given them enough money so that they should own the establishment. Perhaps we ought to nationalize it. We did nationalize part of the industry once but it did not work so well. The merchant marine of the United States, important as it is, has probably received as large a portion of its income from the U.S. Treasury as has any other industry in this country.

It ill behooves the merchant marine to try to deprive the wheatgrowers of sales to foreign countries. Why are the manufacturers of electric motors not treated in that fashion, or the manufacturers of machinery which is shipped overseas? Why are they not given the same treatment? Why do they discriminate against the wheatgrowers? It is not because they want to wave the flag. It is because they they want the \$201 million, and as much more as they can get.

Mr. McGOVERN. Mr. President, before I call up my amendment, I yield to the Senator from Colorado.

Mr. DOMINICK. Mr. President, I appreciate the courtesy of the Senator from South Dakota.

One of the articles that I wanted to have placed in the RECORD on this same subject yesterday is an article from the Denver Post. I do not have it with me at the present time. The article was written by Bill Hosakawa.

The article is based upon a proposal made by the Senator from South Dakota [Mr. McGOVERN] in connection with the fact that we will not be long in food for a very long time. We will be short in food.

We ought to be paying the money into an acceleration of the production of food. We do not have to worry long over the fact that we must get rid of the surplus wheat. That seems to be the purport of many of the comments made today. If this were to happen, I suspect, on the basis of the population increase on a worldwide basis, perhaps we would not have some of the problems which we are faced with today.

In answer to the Senator from Vermont, for whom I have vast respect, let me say that I am now serving on the Subcommittee on the Merchant Marine. I am well aware of the amount of money that we provide to the merchant marine for the promotion of the American merchant marine. It makes very little sense to me to have the U.S. taxpayers put money into that program, and then say, at the same time, that we will ship all the Government-supported surplus commodities in foreign ships.

It seems to me that if we are to try to promote the American merchant marine—which I hope we shall do, and which we have been trying to do—we should continue with some kind of consistency to try to give it the kind of cargo that it can carry. That is the purpose of the 50-percent limitation.

I have a great deal of difficulty in understanding why this is the wrong approach.

There is more than this involved. I have stated—and I made a speech on the same subject on the floor yesterday—that if we are to trade with the Communist countries—and I am talking about the governments of those countries and not the people in them—we should persuade the governments of those countries to give us some concessions before we ease off whatever shortages they have by providing them with their necessary supplies.

I can see no point in sending American boys all over the world to try to fight Communist aggression, wherever it may be, in the Dominican Republic or in South Vietnam. I can see no point in providing troops to protect Berlin against all the people who try to press in and take over Berlin and West Germany.

There is no point in doing that on a worldwide basis and then saying that we will provide the very countries which create the problem with the necessary resources so that they can continue their struggle against us. That does not make sense to me.

So far as our allies are concerned, they are selling to those countries. We know that they are selling and that they are selling for gold and making a great deal of money. I am positive that that is true. However, while they are doing that, we are taking a good many of their irons out of the fire and providing protection for them.

I believe that it is up to us to take the lead in bringing about a change of policy.

That is what the Senator from Connecticut [Mr. Dodd] and I were talking about yesterday on the floor. The question is important, and that it should be even more widely debated than is now the case.

I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I have listened to the statement of the Senator from Colorado. I agree with him. Before we ship wheat to other countries, we should require concessions from them. The Senator from Colorado, as an expert in the field of banking, must know that one of the greatest concessions which they could give us at this time would be gold.

Mr. DOMINICK. Mr. President, I appreciate the comments of the Senator.

Mr. AIKEN. When they are willing to pay for wheat with gold, I would call that a very interesting concession.

I point out one other concession that the United States has made to the U.S. merchant marine, and that is that for 62 years it has been privileged to use the Panama Canal at the same rate it started to pay in 1903.

There are rumblings now that the merchant marine is very much concerned over the possibility of a new canal, which would perhaps increase the toll charges.

I believe that we have given them great concessions since 1938, when, I believe, that unfortunate Merchant Marine Act was passed. They have been virtually dependent on Government money ever since. I do not think that ought to be the case. I believe that they ought to stand on their own feet, or, should I say, the ships should sit on their own bottoms? I do not know what the proper term is.

I agree that it is desirable to have a good American merchant marine. However, in utilizing the merchant marine, there should be no discrimination against agricultural commodities, and particularly wheat.

Mr. DOMINICK. Mr. President, I have vast respect for the knowledge and experience of the Senator from Vermont. I hesitate to disagree with him at any time on these points. However, I should point out for the sake of the RECORD that I believe at no time has Russia or any other country ever given us any gold for wheat. So far as I know, they have never made any suggestion that they would. This, it seems to me, would be arguing something that we hope will happen, but has not happened.

Mr. AIKEN. Gold has been transferred to other points in exchange for dollars with which we were paid.

Mr. DOMINICK. I understand that there have been sales of Russian gold on the London gold market.

Mr. AIKEN. We do not get it first hand. But I am sure that the Senator from Colorado will agree that good silver dollars would be as good as gold.

Mr. DOMINICK. If we had them, I would be very happy. We do not have them any more.

I yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, I could better understand the

position of the Senator if he included all other farm commodities, particularly soybeans. The United States is the only surplus soybean producer in the world. We have a monopoly on the surplus of this crop. We could easily starve Russia and her satellites out of soybeans; and soybeans are much more useful in many types of munitions than is wheat. We cannot stop Russia from getting all the wheat she wants. Canada is increasing its production. She could produce all that Russia wants.

So we are not accomplishing what the Senator from Colorado is suggesting. I think there would be more merit in his suggestion if he were to include all farm commodities.

Mr. DOMINICK. There may be some benefit coming from this suggestion. Yesterday the distinguished Senator from Connecticut [Mr. Dodd] at least brought forth a new type of proposal as to how we might be able to settle the problem so far as the United States, Canada, Australia, and Argentina are concerned. That was to permit a pool, with an agreed-on policy as to where the wheat is to go.

Mr. CARLSON. Mr. President, if the Senator will yield, in regard to the sale of wheat to the Soviet Union and the Eastern bloc countries, we made a sale a year ago. Every bushel was paid for in dollars 24 hours afterward. I am opposed to selling on long terms of 7 or 15 years. Canada insists on getting gold. It gets either gold or Canadian dollars. The money is sent to London to pay for the shipment. I do not see why we should not insist on cash sales for commodities.

Mr. DOMINICK. I appreciate the comments of the Senator. He and I have discussed this matter privately and publicly. It does not strike me as making sense for us to sell to potential enemies when, at the same time we are strengthening their economies, we must provide more armaments for struggles all over the world in order to contain the very nations we are strengthening by supplying commodities to them.

Mr. McGOVERN. Mr. President, I wish to make one brief reply to the statement made by the Senator from Colorado, to clarify the RECORD. Everyone ought to understand that the proposal to remove the 50-percent shipping requirement on commercial sales has nothing to do with the Cargo Preference Act, under which 50 percent of the agricultural commodities that move under Public Law 480 must move in American ships. No one here has been proposing the abolition of that part of the law. It is under that law that the great bulk of our export wheat now moves. There is no attempt to remove that requirement, under which 50 percent of the commodities must be carried in American ships.

That in itself is a great concession to the American merchant marine. They appreciate that very deeply. They do not want that historic concession to be disturbed. No one is proposing that it be disturbed. All we are saying is that we do not want to apply to commercial sales of wheat a restriction that has never been applied in the past to wheat

or any other commodity, and that does not apply to anything other than this important food crop. I think it is a very modest amendment. It would not hurt the American merchant marine in any way. It would not cost one dollar's worth of business, for the simple reason that we are not doing any business as long as this restriction is in effect.

Mr. DOMINICK. I appreciate the Senator's effort to make that crystal clear. I am in disagreement with him. In 1961 we had in the Agricultural Act a sense of the Congress that no surplus commodities should be distributed or sold to Communist countries. Now in the short space of 4 years we are to have a sense-of-Congress provision which takes away at least one limitation on such sales, if it does no more than that. It seems to me that we are going as rapidly as we can into reverse so far as trade and aid are concerned while we are accelerating forward so far as helping Communist aggression all over the world is concerned.

AMENDMENT NO. 437

Mr. McGOVERN. Mr. President, I wish to call up my amendment No. 437 and ask to have it stated. Then I shall be happy to yield.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota will be stated.

The legislative clerk proceeded to read the amendment.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. McGOVERN is as follows:

On page 64, line 12, after the period, add the following: "Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat he estimates will be used during such year for food products for consumption in the United States, and (2) the national allocation percentage for such year which shall be the percentage which the national marketing allocation is of the amount of the national marketing quota for wheat that would be determined for such marketing year if a national marketing quota for such year had been proclaimed less the expected production on the acreage allotments for farms which will not be in compliance with the requirements of the program. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage."

On page 68, strike out lines 10 through 17, and substitute the following:

"(1)(a) price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, but in no event less than \$2.50 per bushel, (b) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains,

and the level at which price support is made available for feed grains."

On page 68, beginning with line 18, strike out down through line 21 on page 69 and substitute the following:

"(2) In establishing the levels of price support pursuant to paragraph (1) and in establishing the rates of diversion payments for diverting acreage under subsection (a) of section 339, the objective shall be to assure a total amount of returns to producers, including any proceeds from export marketing certificates, at a level not less than \$1.90 per bushel."

On page 67, beginning with line 9, strike out down through line 4 on page 68 and substitute the following:

"(f) Section 379e of such Act is amended by adding at the end thereof the following: 'Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1966 through the 1969 wheat crops to persons engaged in the processing of food products at the face value thereof less any amount by which price support for wheat accompanied by domestic marketing certificates exceeds \$2 per bushel; except that if the Secretary determines that the average price of bread in the United States has increased following enactment of the Food and Agriculture Act of 1965 and prior to the beginning of such marketing year, the Secretary may increase such price to an amount not exceeding the face value of such certificates. The exception contained in the preceding sentence shall not be applicable to the marketing year for the 1966 crop.'"

On page 72, after line 25, insert the following:

"(2) Amendment (13) of section 202 is amended by striking out 'only with respect to the crop planted for harvest in the calendar year 1965' and substituting 'with respect to the crops planted for harvest in the calendar years 1965 through 1969'."

On page 65, strike out lines 12 through 23.

On page 72, beginning on line 24 after the semicolon, strike out down through line 25.

On page 63, lines 8 to 10, strike out "by striking out 'not accompanied by marketing certificates,' and substituting 'under section 107(1) of the Agricultural Act of 1949,' and (3)".

On page 75, between lines 16 and 17, insert the following:

"Section 379d(b) is amended by striking out the second sentence and substituting the following: 'The cost of the export marketing certificates per bushel to the exporter shall be that amount determined by the Secretary on a daily basis which would make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States.'"

"Section 379c(a) is amended by striking out everything in the next to the last sentence after 'United States' and substituting the following: 'The Secretary shall also provide for the issuance of export marketing certificates to eligible producers at the end of the marketing year on a pro rata basis. For such purposes, the value per bushel of export marketing certificates shall be an average of the total net proceeds from the sale of export marketing certificates during the marketing year after deducting the total amount of wheat export subsidies paid to exporters.'"

"Section 379c(c) is amended by striking out 'and the face value per bushel of export certificates shall be the amount by which the level of price support for wheat accompanied by export certificates exceeds the level of price support for noncertificate wheat.'"

Mr. McGOVERN. Mr. President, I yield to the Senator from Ohio [Mr. LAUSCHE].

SECTION 14(b) OF THE TAFT-HARTLEY ACT

Mr. LAUSCHE. Mr. President, a few days ago there was sent to my home a letter from the International Typographical Union, addressed to me. I want to read the letter because I want all Ohioans to know the attitude reflected by the statements made in this communication. It reads:

Sr: Your attention is directed to a brief address, quoted below, made by President Elmer Brown, of the International Typographical Union to the delegates in attendance at the 107th convention of the ITU held in Washington, D.C., August 14-20, 1965:

"It has been called to my attention by some of the delegates who have been visiting U.S. Senators from their various States, that there seems to be a tendency on the part of some of the Senators, who are allegedly our friends, to sit on the proposed amendment to the Taft-Hartley law which would eliminate section 14(b). These alleged friends are under great pressure, undoubtedly, but we should not let them forget that we of the labor movement put them in office.

"I think at this time we should state at this convention that those Members of the U.S. Senate who were elected on the ticket with President Johnson on a platform to repeal 14(b) will either discharge their obligation or we shall mass our forces and discharge them at the next election. I think the delegates from this convention should express themselves in no uncertain terms to the Senators, who are now weakening, that we shall not only express our feelings here, but we shall express them also at our local union meetings and the entire labor movement if necessary. The ITU will take part in mobilizing delegations that will make the civil rights demonstrations look like Sunday school picnics.

"Our patience is about exhausted with being doublecrossed and the Senators ought to know that they cannot doublecross the labor movement again and get away with it.

"It should be obvious that they are trying to prevent the adoption of the bill to repeal 14(b) by their stalling tactics. It would be even more difficult for its passage at the next session of Congress. So, I would say to these U.S. Senators, on behalf of the members of the International Typographical Union, that we are not going to tolerate their dilly-dallying tactics. We expect them to discharge their obligations to the labor movement. We expect them to keep their promises or we will have to do our best to keep them out of office."

That is the end of the statement made by the president of the International Typographical Union.

Mr. President, this letter is an insult to the intelligence and the honor of the U.S. Congress.

The men who made that statement and those who approve it look upon the Members of the Senate as groveling, abject slaves to the commands of what these men tell them to do. If I had any question about my position on this matter, it was resolved when I read this statement.

Am I to lie face down on the floor, abjectly, and there bow as a slave to the commands of these men? I owe a duty to speak in accordance with the promptings of my thinking and my soul. If I do otherwise, I lie to myself, I lie to the public, and I lie to God. That I do not propose to do.

The letter implies that we are cowards. It can mean nothing else. It means they

expect with the threat that they will defeat us at the next election, that we will abandon our honest judgment.

I will not do it, and I want the people of my State to know exactly the methods that are used to bring into line those Senators who may feel differently than these men feel who made this statement. I will exercise my mind and my conscience, and vote accordingly. The man who made this statement will not think for me nor speak for me nor act for me.

Mr. AIKEN. Will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. AIKEN. I appreciate the Senator's having read that letter, because I received one almost exactly like it from a prominent industrialist this morning.

Mr. LAUSCHE. It is just as bad, regardless of whom it comes from.

Mr. AIKEN. If the Senator from Ohio can find out some way to vote against both categories who write that kind of letter, I wish he would confide in me how to do it.

Mr. LAUSCHE. Mr. President, I weighed whether I should make this statement on the floor of the Senate, whether I should reveal the context of this letter.

I decided that failure to do so would be an injustice to me, an injustice to the Senate, and an injustice to the people of Ohio.

Mr. AIKEN. I think the Senator has performed a service by reading the letter.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices, and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade; to afford greater economic opportunity in rural areas, and for other purposes.

Mr. McGOVERN. Mr. President, I yield to the Senator from Maryland.

Mr. BREWSTER. I thank the Senator for yielding, and ask him a question.

Returning to section 703 of the farm bill, we all agree that the 50-50 requirement on wheat sales is not a part of the Cargo Preference Act, it is a result of a regulation promulgated by President Kennedy some years ago. All section 703 does is to state what the sense of Congress is.

Why is it necessary, in an agricultural bill, to go into maritime policy, particularly when the policy is by virtue of a Presidential directive that can be changed by the Chief Executive should he choose to change it, and not a policy that has been established by us as part of the Cargo Preference Act?

Mr. McGOVERN. In reply to the Senator's inquiry, he is quite correct that the restriction was the result of an administrative ruling by the late President Kennedy, and not of an act of Congress.

But as the Senator will recall, before President Kennedy made that judgment, he consulted rather widely with Members of the Congress, and it was to a great extent, I think, on the basis of those consultations that he decided to

lay down this shipping restriction as a means of removing some of the objections to the Russian wheat sales.

It now becomes clear, after 2 years of experience under the restriction, that as a matter of fact it killed any opportunity for additional sales. It has been a dismal failure, and has had the effect of simply canceling out the judgment that the President reached at an earlier day, a judgment that was shared by President Johnson, that it was in the national interest to make these sales.

So it seems to me that it is now perfectly proper for the Committee on Agriculture and Forestry, which has primary responsibility in the Senate for matters affecting the welfare of our agricultural producers, to express the view of our committee—and it was a unanimous view—that the shipping restriction is working great harm to the farm producers of this country.

All section 703 of the pending bill does is express the sense of the Congress that there should not be any discriminatory provision applied against agricultural commodities when it comes to shipment to the Soviet Union, but that they ought to be treated the same as industrial commodities or any other items which move in international trade.

Mr. BREWSTER. Does not my wise and learned colleague agree that the President of the United States could change the present policy without any action on the part of the Congress with reference to the issue?

Mr. McGOVERN. I certainly agree that the President has that authority.

Technically, the Secretary of Commerce administers the regulation that was placed in effect on these shipments. This might be a good place in the discussion for me to call attention to a letter which I recently received from the Secretary of Commerce, in which he advises me that he regards the regulation as harmful to farmers, as harmful to our balance of payments, and as of no benefit whatsoever to U.S. shipowners or to maritime labor.

I shall read into the RECORD Secretary Connor's words. I am sure the Senator from Maryland will be interested. Presumably the Secretary of Commerce would not speak if he did not have the authority to speak for the administration point of view.

This is what he says:

I appreciate your concern with this matter and I agree with your analysis that the present situation is highly unsatisfactory and seems to offer no advantages to anyone.

The farmers and grain dealers are not getting business they might otherwise have; the longshoremen are not getting workloading cargo they might otherwise have; the seafaring employees are not benefiting because no wheat sales are being made and, therefore, no wheat is being transported on U.S.-flag vessels; and, of course, the United States loses an opportunity to improve its balance-of-payments position.

So the administration not only has the authority to remove the restriction, but, if we can take the word of the Secretary of Commerce, at least a part of the administration has already decided that it is not in our interest to continue that restriction.

I was interested in a communication that came to Members of the Senate from Mr. George Meany, the President of the AFL-CIO, in which he says that the key maritime unions never really demanded such a requirement. It comes as something of a new interpretation to me, but Mr. Meany adds that neither did labor leaders institute any boycott of shipments, except when it appeared that the grain traders who had received an export subsidy covering excess shipping costs, attempted, on the ground that no suitable U.S. ships were available, to ship a part of the wheat which was supposed to go in U.S. bottoms in cheaper foreign vessels.

It was only at that point, according to Mr. Meany's communication, that the maritime unions threatened to boycott the loading of vessels.

This would have meant that the traders would gain the amount of the freight differential since they had sold wheat to Russia at a fixed price and had already been given the U.S. export subsidy commitment.

Mr. Meany writes:

Contrary to recent press accounts, I placed no terms or conditions of any kind upon the cooperation and support of the AFL-CIO in this matter. The dispute which caused the cessation of loading grain ships arose as a result of the successful efforts of the grain dealers to further reduce the participation of American vessels by securing waivers of the 50 percent shipping requirement through various contrivances which disqualified American vessels * * * the use of foreign vessels in this instance did not reduce the price paid by the Soviet Union for the grain. The net effect of the substitution of foreign vessels was to increase the proceeds of the sale to the dealers * * * The protest action of the maritime unions was directed entirely at these private corporations who, for reasons of their own profit, were undermining and nullifying the policy and assurances of the President of the United States.

I do not personally know all the facts in this situation, but these statements indicate that there is a possibility of settling this impasse.

At least, as far as Mr. Meany is concerned, he seems to be saying that labor leaders are willing to sit down and talk about a possible basis for removing this restriction. He went so far as to say that the restriction was never imposed at the insistence of labor leaders. If that is true, and the maritime leaders do not demand a shipping restriction but are chiefly concerned with the possibility of a windfall to the grain traders, it ought not to be difficult to insure against such windfalls in the future. The firms which handle international sales have assured me repeatedly that they do not seek any such windfall. They are not asking for any special concession.

So if the grain traders are not asking for the restriction, and if the labor leaders are now indicating that they have no real interest in maintaining it, and we have the statement of the Secretary of Commerce, Mr. Connor, that he thinks the restriction is a mistake, it seems to me that we ought to be coming pretty close to the day when we will see that restriction removed.

In view of these developments in regard to the administration's and labor's

position, and the pending Foreign Relations Committee study of the propriety of shipping restrictions in relation to our treaty obligations as well as the legality of the restriction under our own laws, I now feel that another effort at settlement by the administration should be made. If these statements can be taken at face value, agreement should be possible without legislative actions by the Congress.

If these possibilities do not work out, there will still be time for the Senate to express its views on the matter.

I should like to believe that the Senator from Maryland is correct in saying that we may not have to take legislative action to bring about that result, and that it may be done by direction of the administration.

A resolution which the Senator from Missouri (Mr. SYMINGTON) submitted on my behalf last Thursday has been referred to the Committee on Foreign Relations, with the request that that committee immediately look into the question of whether or not the shipping restriction is in fact a violation of our treaties with some 30 countries. I have no doubt that when the committee pursues that subject, it will come to the conclusion that the restriction is, in fact, a violation of treaties, and that is one more very important reason why it ought to be removed.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield to the distinguished Senator from Vermont.

Mr. AIKEN. I agree with the Senator from Maryland. The question of the shipment of wheat should not be the subject of proposed legislation. By a stroke of his pen, the President could take care of the whole situation. I would like to see him do so.

On the other hand, action taken in that respect could conceivably determine the position of Congress on the repeal of section 14(b) of the Taft-Hartley law. I am sure some people would like to have it continue in order to wield a little influence in that direction. But the President could easily take care of the situation if he would.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield to the Senator from Maryland.

Mr. BREWSTER. The distinguished Senator from South Dakota has accurately quoted the statement of Mr. George Meany. I have the entire statement in my hand. So that Senators may have the benefit of the full text, I ask unanimous consent that Mr. Meany's statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY GEORGE MEANY, PRESIDENT, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS, ON THE MATTER OF WHEAT SHIPMENTS TO THE SOVIET UNION

During the past 2 weeks, a number of accounts have appeared in the press, purporting to describe the circumstances surrounding the adoption of the requirement that at least 50 percent of all wheat sold to the So-

viet Union must be shipped on American vessels, where available.

These accounts have invariably misrepresented the position and role of the AFL-CIO and of myself in this matter. They seem to have relied upon speculation or biased second- or third-hand reports, for none of the reporters or columnists under whose bylines these stories have appeared have bothered to inquire as to the facts or to check the accuracy of their statements concerning the AFL-CIO position with the AFL-CIO itself.

In view of the current effort by some Members of the Senate to cast the AFL-CIO in a "dog in the manger" role and to arbitrarily revoke the application of the flag preference principle, I believe it is important to set the record straight.

As regards the original application of this principle to Soviet wheat sales, the facts are these:

1. I made no demand or request of any kind upon President Kennedy in connection with this transaction. Prior to the consummation and announcement of the wheat sale, President Kennedy did inquire as to my views on the advisability of selling wheat to the Soviet Union. I advised him that I would favor such a step, because of (a) the humanitarian aspect of wheat as a foodstuff, and (b) the value of such a transaction in dramatizing the superior performance of the American system in meeting human needs, as against the Soviet system. Contrary to recent press accounts, I placed no terms or conditions of any kind upon the cooperation and support of the AFL-CIO in this matter.

As a matter of fact, in April of 1962, I had publicly urged that the United States give foodstuffs to the peoples of Iron Curtain countries, contending that "hunger knows no politics."

2. At a press conference in October of 1963, President Kennedy made the first public announcement of the Soviet wheat sale, at which time he stated that all of the wheat would be shipped on American vessels, if available. It is my impression that this decision was motivated in large part by the desire to realize maximum value to all segments of the American economy from the transaction.

A Labor Department representative did confer with officials of the International Longshoremen's Association at that time and received a commitment of full cooperation on this basis, despite the historic reluctance of east coast longshoremen to handle goods consigned to or originating in Communist nations.

3. Subsequently, upon the representations of the Commerce and Agriculture Departments, it was deemed not feasible to carry out the objective of using American vessels for the entire shipment. The provision governing the use of American vessels was thereupon reduced to not less than 50 percent, where available, and this provision was contained in President Kennedy's Executive order.

4. The maritime and longshore unions did not protest this reduction. The dispute which caused the cessation of loading of grain ships arose as a result of the successful efforts of the grain dealers (Continental Grain Co., and Cargill, Inc.) to further reduce the participation of American vessels by securing waivers of the 50-percent requirement through various contrivances which disqualified American vessels, which were in fact ready and able to carry the cargo, and substituting foreign-flag vessels on grounds that no U.S.-flag vessels were "available."

The use of foreign-flag vessels in this instance did not reduce the price paid by the Soviet Union for the grain. The transaction was consummated on the basis of a fixed price for the wheat delivered at Soviet ports. The net effect of the substitution of foreign-flag vessels was to increase the proceeds of the sale to the dealers.

The protest action by the maritime unions was directed entirely at these private corporations who, for reasons of their own profit, were engaged in undermining and nullifying the policy and assurances of the President of the United States. A prime example of the devices employed by these companies and their agents in engaging vessels for this trade was the disqualification of large-capacity, deep-draft ships, although these ships were the most efficient and lowest cost bulk carriers under the American flag. Subsequent investigation clearly showed that the grounds advanced for excluding such ships were spurious and that their use was entirely feasible. They were in fact used to complete the wheat shipments following the settlement of the dispute.

5. I entered this controversy only after being requested to do so by President Johnson, in February of 1964. In cooperation with Secretary of Labor Wirtz, I then interceded with the maritime and longshore unions in the effort to find a fair and reasonable basis for ending the dispute. A considerable amount of persuasion was necessary to induce these autonomous organizations, concerned with a problem vitally affecting the welfare of their own industry and membership, to abandon the course of direct action and to resume work on this cargo on a basis which, to a very large extent, left the future disposition and resolution of the grain shipment problem to the good faith and sense of justice of public officials.

The circumstances and basis of settlement were fully and favorably reported at the time and are matters of public record. The CONGRESSIONAL RECORD of February 25, 1964, beginning on page 3412, contains a full and complete exposition of the matter Vice President (then Senator) HUBERT HUMPHREY. The relevant excerpt of the CONGRESSIONAL RECORD is attached. It includes the remarks of Senator McGovern, in an exchange with Senator HUMPHREY, which indicated his complete approval, at that time.

6. It is important to note that the understanding which led to the resumption of wheat shipments to the Soviet Union in 1964 set forth an orderly method for the continuing review of governmental policy concerning cargo preference, flag quotas and maritime policy generally, including any future changes in Government policy relating to U.S.-flag participation in the shipment of wheat to the Soviet Union. For this purpose, a Maritime Advisory Committee, composed of Government officials, representatives of maritime labor, the shipping industry, and the public at large, was established by the President. This Committee is functioning and has submitted a number of recommendations on maritime issues which are currently under consideration by the administration.

This Committee was intended to create a channel through which the problems of maritime labor and management might be presented to the appropriate officials of government, with the public interest fully represented. It was hoped that this would provide an orderly and constructive alternative to the method of direct economic action, which the maritime unions have too often found the only effective way to attract attention and gain consideration of the very serious problems affecting the livelihoods of their members. The maritime unions and the AFL-CIO have, to date, participated cooperatively in the work of the Committee in that spirit and with that hope and intention. It would be a tragedy if that hope were shattered and the function of the Committee destroyed by ill-considered action by the Senate, under the illusion that the nullification of a constructive understanding will succeed in getting ships loaded with American wheat.

As regards charges by certain Senators that the AFL-CIO is now blocking the consummation of hypothetical grain sale to the Soviet Union, the allegations are false. Contrary to reports that have appeared in some press accounts, the AFL-CIO was not responsible for the removal of language in the administration farm bill which would have nullified a flag quota on wheat shipments. I know of no such language and do not believe that there ever was such language since it would not be necessary to accomplish the purpose if the administration saw fit to do so. The AFL-CIO was not, at any time, consulted in the drafting of the farm bill and did not see it, or any part of it, until its introduction in Congress.

If there is any current desire on the part of the Soviet Union to purchase wheat from the United States on any terms I am not aware of it. I have not discussed the prospect with President Johnson or any other officials of the administration nor have my views as to the desirability of such a transaction at this time been sought.

If my views as to the desirability of a wheat sale to the Soviet Union should be sought, they would be the same as those which I expressed to President Kennedy in 1963. If the President should decide that it is in the best interests of the United States to pursue such a course, the AFL-CIO would support that decision, and we would cooperate, if asked to do so, in attempting to work out any reasonable new arrangements which might be necessary to facilitate it.

In so doing, however, we would argue that the abandonment of the legitimate interests of the American merchant marine and of the public interest in the merchant marine is neither justified nor necessary to accomplish this objective.

Seamen, as well as wheat farmers and the stockholders of Cargill and Continental Grain Co.'s must eat, and it is wholly unnecessary and destructive to attempt to drive a wedge between the interests of farmers and workers, as some now seek to do, to resolve this issue in a manner fair to both. Seamen face the same problem in competition in a cheap world market, when standards are below American levels, as wheat farmers do. Both American ships and healthy American farms are essential to the welfare of the Nation, and neither American farmers nor American sailors should be expected to reduce themselves to Hong Kong standards.

The American labor movement has long supported every effort to bring income parity and a better way of life to those who seek a livelihood in agriculture.

The AFL-CIO has continuously supported substantial Federal outlays to raise farm income through the price-supporting loan program, stockpiling and subsidized agricultural commodity sales. In addition, we have aided passage of Federal programs to expand farm credit, help farm cooperatives, conserve the soil, accelerate rural electrification, insure crops against damage, and other measures to improve rural education, health, and housing. We have never complained of the cost, though workers, including merchant seamen, bear a full share of the tax burden.

Taxpayer-supported aid to wheatgrowers, to assure them a fair price for their product and profitable sales at home and abroad, has been substantial.

We have supported subsidies to assure wheat price maintenance through the Government loan mechanism. We have supported the various Government subsidies which seek to increase wheat consumption both at home and abroad. We have supported the taxpayer-financed direct wheat export subsidy which is necessary to bring wheat export prices down to the world market level because other subsidized programs have suc-

ceeded in keeping the domestic wheat price up.

According to the Department of Agriculture, the total costs of operating U.S. Government wheat-related support activities in fiscal 1964 exceeded \$1.8 billion.

The export subsidy to commercial wheat exporters is made necessary by the gap between the lower world market wheat price (at which American exporters must sell) and the higher supported U.S. domestic price (at which they must buy). This subsidy also includes cost factors involved in transporting the wheat to U.S. ports of exit. In fiscal 1964, the wheat export subsidy totaled \$97 million.

To describe the sale of wheat to the Soviet Union, therefore, as a purely private "commercial" transaction is highly inaccurate and misleading.

I am informed that the Soviet Union paid \$140,200,000 to Continental Grain and Cargill, the two exporting companies that handled the 1963-64 wheat transaction. This was the price paid for delivery at Soviet ports and included the cost of partial delivery on American ships. The direct U.S. tax-supported export subsidy on the sale was equal to 31 percent of the delivered price, or about \$43 million. This does not include, of course, the pro rata indirect cost of other U.S. subsidies involved in supporting the price and sale of U.S. wheat.

This export subsidy was equal to about 66 cents on each of the 63 million bushels sold. By way of contrast the additional cost of transporting part of this wheat on American ships averaged out to less than 8 cents per bushel for the total shipment.

In face of the generous outlays by all of the American people in behalf of the welfare of wheatgrowers and exporters, continued consideration of the welfare of American maritime workers and of our national security also would seem valid under a Government-subsidized and sponsored wheat export program.

It is the view of the AFL-CIO that, if the Federal Government finds that a wheat sale to the Soviet Union is possible and desirable, the mutual problems and needs of both wheatgrowers and maritime workers can be accommodated. If the freight rate differential is, in fact, the only barrier to such a transaction, and if its consummation is deemed a matter of overriding national interest, there are various ways in which the problem can be approached which would respect the legitimate interests of all parties and would not entail the betrayal of one vital segment of our economy by another.

The freight differential might be absorbed into the export subsidy as some of the costs of rail shipment to U.S. ports now are. The administration now has before it a proposal from the Maritime Advisory Committee, supported by the unions, for a change in the maritime subsidy program which would enable bulk carriers to compete at or near world market freight rates so as to reduce or eliminate any added cost to exporters or to the farm program where American vessels are used, whether in a shipment to the Soviet Union or in the Public Law 480 program.

These and other alternative approaches merit serious consideration and discussion. Any effort to arbitrarily abolish or negate U.S.-flag protection, without putting a better plan or procedure in its place, can lead only to the most harmful consequences.

The AFL-CIO is ready at any time to cooperate fully in any effort to find a better method of achieving the objective sought by the 50-percent American-flag requirement. We are strongly opposed to any misguided effort to resolve the issue by the arbitrary and ruthless elimination of that requirement.

Mr. BREWSTER. I should like to make one closing comment, and I hope a concise one. I am in complete agreement with the position that we should sell our food and fiber anywhere to improve our balance-of-payments situation. I also vigorously support the position that we should protect the U.S. merchant marine.

I thank the Senator for yielding to me.

Mr. McGOVERN. Mr. President, I return now to the amendment to the agricultural bill which relates to the subject of wheat.

Mr. COOPER. Mr. President, is the Senator now leaving the debate on the question of the restrictions imposed by the Secretary of Commerce?

Mr. McGOVERN. Yes.

Mr. COOPER. Before the Senator does so, will he yield to me for a question?

Mr. McGOVERN. I yield.

Mr. COOPER. I supported the amendment offered by the distinguished Senator from South Dakota in the committee. Today, while listening to the Senator from Colorado, I thought that a question was brought into the debate which does not bear specifically upon the amendment. As I understand, the Secretary of Commerce licenses private trade to make commercial sales of wheat or other agricultural products to Russia or to other Communist countries.

Mr. McGOVERN. The Senator is entirely correct.

Mr. COOPER. The purpose of the Senator's amendment is to provide that in the event the Secretary of Commerce issues licenses to the private trade for commercial sales of wheat or other agricultural products, he shall not impose on those private commercial sales a condition which is not imposed on other commercial sales.

Mr. McGOVERN. That is exactly correct. As the Senator from Kentucky knows, there is no shipping restriction of any kind on the sale of many industrial commodities. All the amendment would do is to ask that agricultural commodities be treated in the same way.

Mr. COOPER. Mr. President, will the Senator yield further?

Mr. McGOVERN. I am happy to yield.

Mr. COOPER. I heard the distinguished Senator from Colorado speak a few moments ago. I also read in the RECORD the speech of the distinguished Senator from Connecticut yesterday. It seems to me that there has been raised a question of policy as to whether the United States should make sales of wheat or agricultural products to Russia or Communist countries. I believe that is a separate question. Though there is a relationship, it is a separate question.

When the question first came before the Senate in 1963, when it was first proposed to make commercial sales of wheat to Russia, I opposed that initial sale and upon the following grounds:

While I know there is no law which forbids the sale of wheat or other agricultural products to Russia or to what are termed nonfriendly countries, it has been the policy of the United States, as expressed in a number of acts, particularly acts relating to agriculture, and a

policy which has been adhered to, that such sales should not be made.

The argument which I made in 1963—and I believe that I was the first one to speak on the subject on the floor of the Senate—was to the effect that because such sales involved a measurable change in policy, the question ought to be submitted to the Congress by the President as a change of policy, and considered by the Foreign Relations Committee and by other affected committees, so that there would be an expression of either approval or disapproval by the Congress as to this change of policy.

I think it is still a major question, and I believe if it represents a continuing and permanent change in our policy, it should be so stated by the President of the United States and should be debated in the Congress and before the people.

That was my position then; it is my position now. That being a question of policy, I hold with the Senator that export of agricultural products should be treated in the same way as are the commercial sales of all other products.

Mr. McGOVERN. I thank the Senator from Kentucky.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I wish to propound a unanimous-consent request, which I believe has been cleared with all interested parties.

I ask unanimous consent that beginning at the conclusion of the prayer on Monday next, that there be a time limitation of 2 hours on each amendment, 1 hour to be controlled by the proposer of the amendment, and the other hour to be controlled by the chairman of the committee, the distinguished Senator from Louisiana [Mr. ELLENDER], or whomever he may designate, and that there be 4 hours on the bill.

The PRESIDING OFFICER. Is the time on the bill to be divided?

Mr. MANSFIELD. It is to be divided equally between the majority and minority leaders or whomever they may designate.

The PRESIDING OFFICER. Is there objection?

Mr. ELLENDER. Mr. President, reserving the right to object, would the majority leader agree to make the time on the bill 6 hours?

Mr. MANSFIELD. If the Senator wishes.

Mr. ELLENDER. Not that the 6 hours would be used, but as to some amendments additional time may be necessary.

Mr. MANSFIELD. That will be satisfactory.

Mr. President, I change the request to 6 hours on the bill.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. So that the debate will not extend into Tuesday, if that can be avoided, I thought there ought to be a condition that debate on an amendment should be germane to the amendment, because if extraneous subjects were

brought up, I do not know when we would be through.

Mr. MANSFIELD. That is a reasonable suggestion; The agreement should provide for the usual germaneness of amendments and we should remind all Senators that the existing rules of the Senate provide for germaneness of debate during the first 3 hours of debate.

Mr. ELLENDER. I have no objection to that.

Mr. AIKEN. Mr. President, I should like to have one thing understood. I am thinking of the so-called dairy amendment, sponsored by Senators PROXMIRE, MAGNUSON, and FULBRIGHT. I should like to make certain that there will be enough time to clarify the meaning of their amendment and its effect, before I agree to the unanimous-consent proposal.

Mr. DIRKSEN. Mr. President, that is a reasonable suggestion. Six hours under the bill should be enough. I should be glad to yield time for that purpose, because I want to have the proposal clarified. I am receiving opposing views on this subject and would like to know where truth and equity lie.

Mr. AIKEN. The entry of the foremost advocate of oleo in the Senate [Mr. FULBRIGHT] into the matter of how to run a dairy program prompts me to feel that perhaps it may take a little longer time to get a full clarification. I do not understand how the oleo people happen to be undertaking to decide what is good for the dairymen and the butter producers. I notice the Senator from Wisconsin in the Chamber. The Senator from Washington is not in the Chamber. I hope they will be prepared to explain how it is that the oleo people are willing to be so helpful in arranging programs for the butter manufacturers.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. AIKEN. I would like to have an answer to that one question.

Mr. McNAMARA. I have no intention to object, but since Senators are making claims for time, I should like to have about 30 minutes to explain the "50-50" shipping item in the bill. The Great Lakes and the St. Lawrence Seaway are having very bad results under this arrangement.

Mr. MANSFIELD. The Senator will have the time.

Mr. JAVITS. Mr. President, I did not hear the conditions.

Mr. MANSFIELD. There would be 6 hours on the bill.

Mr. JAVITS. Something was said about germaneness.

Mr. MANSFIELD. The amendments that are offered will be germane. We will stick to a discussion of the bill and any germane amendments.

Mr. JAVITS. I do not feel free to go along with that condition. I am in agreement with the leadership, but I do not believe germaneness should be a condition. I believe the proposal as to time is satisfactory. I do not believe there should be included a condition that has never been included before.

Mr. MANSFIELD. The idea was to keep out extraneous subjects, so that we

would finish action on the bill in time. The provision is for germaneness of amendments, which I might add is the usual provision in our unanimous consent agreements. The rules of the Senate require germaneness of debate for the first 3 hours of debate and our proposed request is not intended to modify that provision.

Mr. JAVITS. As to germaneness of the amendments I did not want some new condition about germaneness included in the consent agreement, as was just stated.

Mr. MANSFIELD. No.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and the request is agreed to.

Mr. MANSFIELD. This does not mean there may not be votes this afternoon, because amendments will be considered having to do with the subject of wheat, the use of American shipping on a 50-50 basis, and other matters. So I should like the Senate to be on notice.

Mr. DIRKSEN. Will the distinguished majority leader yield?

Mr. MANSFIELD. Gladly.

Mr. DIRKSEN. I suggested to the majority leader this morning that two Members of the Senate will be honored tonight by the American Political Science Association. It is a little affair that starts reasonably early. I expressed the hope there would be no rollcalls after, let us say, 5 o'clock in the afternoon.

Mr. MANSFIELD. Very likely there will be none, but we cannot give any ironclad guarantees.

Mr. ELLENDER. Some amendments may be considered as to which a record vote will not be necessary.

Mr. MANSFIELD. The Senator is correct.

Mr. ELLENDER. I hope we may have votes on as many amendments as can be considered this afternoon, especially amendments to which there is no objection.

Mr. MANSFIELD. The Senator is correct.

Mr. ELLENDER. I hope we may dispose of as much of the bill as to which there is no serious objection, as possible.

Mr. MANSFIELD. We are in agreement.

Mr. MANSFIELD subsequently said: Mr. President, complementing the unanimous-consent request which the Senate granted this afternoon, I wish to make a further stipulation to the effect that on the dairy amendment, if and when it is offered, there be a time allocation of 1 hour, the time to be divided equally between the proposer of the amendment and the senior Senator from Vermont [Mr. AIKEN], the ranking minority member of the Committee on Agriculture and Forestry.

Mr. AIKEN. I see no reason why the proponents of the dairy amendment could not explain its purpose and probable effect in half an hour, if they can do so at all. I assume that if 30 minutes does not give them enough time to think up the answers to the questions which I shall ask, we would then be able to take time on the bill itself before a vote is taken on the amendment.

I expect to ask for a yea-and-nay vote on the amendment.

Mr. MANSFIELD. The Senator may rest assured that he will have all the time he needs on the bill in discussing that amendment.

Mr. AIKEN. I believe the proponents of the amendment can state their case in one-half hour, if they can do it at all.

The PRESIDING OFFICER. Without objection, the unanimous-consent agreement is amended as stated.

The unanimous-consent agreement, as modified, and as reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday September 13, 1965, after the prayer, during the further consideration of the bill H.R. 9811, an act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, to afford greater economic opportunity in rural areas, and for other purposes (except the so-called dairy amendment, if offered, on which debate shall be limited to 1 hour to be equally divided and controlled by the mover and the Senator from Vermont [Mr. AIKEN] debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 2 hours, to be equally divided and controlled by the mover of any such amendment or motion and the Senator from Louisiana [Mr. ELLENDER]: *Provided*, That in the event the Senator from Louisiana is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 6 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. McGOVERN. Mr. President, turning now to the wheat section of the bill, I wish to express my appreciation to the distinguished chairman of the Committee on Agriculture and Forestry and to all the other members of that committee for the careful consideration that was given to the important problems of our wheat producers.

During the years that I have been privileged to serve in Congress, I cannot recall any time when any committee went more carefully into an important subject than our committee did with reference to the problems of wheat.

The amendment that I am offering this afternoon is an important one. It changes the wheat section of the bill in certain respects, yet all the efforts with regard to this proposed amendment are designed to accomplish the objectives on which our committee agreed.

I wish to pay particular respect to the senior Senator from North Dakota [Mr. Young] for the special leadership he provided in our committee on behalf of all wheat producers.

The amendment now pending has been

cleared with the Senator from North Dakota. He wishes to suggest certain changes at a later time to further improve the amendment, but the basic outline of the proposal has been cleared and met with the approval of the Senator from North Dakota, with the chairman of the committee, and with Senators on both sides of the aisle.

I would like to think of this amendment as one that is more in the nature of a perfecting proposal rather than one that changes radically the bill as it emerged from committee.

The wheat title in the proposed amendment sets forth the objective of assuring producers not less than \$1.90 a bushel for their output. This was the objective the Senator from North Dakota incorporated in the bill as it left the committee. My proposal is that the Senate accept this objective.

I digress for a moment to say that there are two or three little perfecting changes. On page 3 it is proposed to strike out the words on line 6, "The objective shall be to" and substitute in lieu thereof "the Secretary shall". There are also two changes on pages 4 and 5 that do not change the substance of the bill in any way.

Mr. President, I ask unanimous consent that the perfecting changes in the amendment be accepted.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. McGOVERN. Mr. President, the modifications in the amendment now pending before the Senate are presented to strengthen the means of assuring achievement of the income goals as spelled out in the committee bill. To make sure that the income objective is reached, it might be well, in my opinion, to put into the hands of the administrator of the program—the Secretary of Agriculture—all the tools and methods that may be useful in strengthening farm income and contributing to the efficient operation of the program.

We know that our wheat producers currently receive income from the market, which is affected by the price support loan, and from the loan itself, from both domestic and export marketing certificates, and from diversion payments. There is a mix of those various tools which make up the income our wheat farmers receive. Each source of that income is important and may be important in the future. Sometimes it is difficult to project ahead as to which one is the most valuable, or the exact combination in which they should be used, but it is my view that every one of those tools should be made available to the Secretary of Agriculture to achieve the income goals spelled out by the committee in the pending bill.

Thus, my first proposal is to modify the wheat provisions of the bill so as to permit the issuance of domestic and export marketing certificates to producers.

As the bill now stands, direct payments to producers are permitted, but certificates are not. The certificate program is now rather widely accepted, I believe. It is operating well enough so that its use in the future could very well be authorized, particularly in view of the need

for variable export certificates, which I shall describe next.

These variable export certificates are the subject of the second modification in the proposed amendment.

The Senate bill provides that the wheat loan rate will be set at about the world price. However, it is often difficult to determine the world price and to maintain the proper relationship between domestic and world prices without excessive export subsidies. It is also difficult to set the value of export market certificates at one level for a whole year without encountering some undesirable results.

At present, export certificates have a fixed value—30 cents. Exporters buy them at that price regardless of the U.S. market price of wheat, regardless of the export price, and regardless of the amount of the export subsidy.

If it turns out that the exporters pay the Government more for export certificates than the Government pays out in the form of export certificates issued to producers and export subsidies to exporters, then the Government is making money on the export operation and has no way to return it directly to producers.

This shortcoming could be corrected merely by providing a variable export certificate which presents no real problem in administration. Under that formula, any profit made by the Government on the export of wheat would be available to help to carry out the income objectives of this proposed legislation; namely, to provide farmers with a blend price of \$1.90 on our wheat output.

The value of the certificate would be determined each day. It would be the difference between the world price and the U.S. price. Exporters would buy the certificates to cover their operations, when the U.S. price is lower than the world price and would receive refunds when the U.S. price is higher than the world price. The Government would operate a certificate pool, and any money in the pool at the end of the year would be paid to producers on a pro rata basis.

Thus, any profit made by the Government on exports of wheat would be available to help carry out the income objective of this legislation.

Under the present certificate program, exports are moving well. In the first 2 months of this marketing year, dollar sales of wheat for export were nearly four times the amount sold for export in the same period a year ago. Export subsidies after deduction of the 30-cent certificate value are currently ranging from a net of 24 cents down to a minus 4 cents, depending on the class of wheat and the port. The point is that our wheat is being priced competitively with the aid of certificates, and our wheat is moving out to world markets with relatively little subsidy from the U.S. Treasury. This strengthens our negotiating position with other countries, which of course are always critical export competition heavily backed by subsidies of the United States Treasury. We would do well to keep the present program method available to help us move wheat and to

help us maintain the wheat farmer's income. Without this modification to the wheat section of the bill, all export wheat would be supported by payments out of the Treasury along with wheat for domestic use, and this type of operation leads to difficulties in our trade negotiations and other relations with friendly countries. The variable export certificates would improve our ability to compete for world markets within trading rules that are acceptable to all competing countries.

My third and final suggestion, as incorporated in the pending amendment, is to safeguard the farmer's opportunity to substitute acreages of wheat and feed grains freely in the wheat and feed grain programs. The substitution provision is very popular among farmers because it enables them to use their land for the crops to which it is best adapted and which seem to offer the best chance for profit. A wheat farmer who does not do very well with corn can plant wheat on the acres that are eligible for corn in the feed grain program. And the corn-grower who has little use for wheat can plant corn on acres allotted to wheat in the wheat program.

This substitution or interchange can take place only when the wheat and feed grain programs are kept in proper relationships. The price support loan rates for wheat and feed grains must be closely related. Otherwise, the corn-grower will have to grow wheat that he does not care to grow, and the wheat producer will have to produce corn or grain sorghum. We can keep the substitution opportunity open by instructing the administration, as this amendment does—in setting wheat loan rates—to take into consideration the world price of wheat and the relative feeding value of wheat. That amendment, in other words, would protect the feed value of wheat, which is important to our wheat producers and to the agricultural economy. The amendment I offer would insert language to this effect and thus make it clear that Congress wishes to maintain the legislative basis for the substitution provision.

Mr. President, with the few modifications to which I have referred, together with those which may be submitted by the Senator from North Dakota [Mr. Young], we believe that the income objectives of the pending legislation can be achieved. The Secretary of Agriculture will have a full kit of tools and methods in order to adapt the program to changing conditions over the 4-year life of the act. The Nation will have the benefit of a wheat program which carries out a definite income objective, while permitting our abundant wheat supplies to go into use both at home and abroad—not into expensive, dead storage.

The proposal on wheat which I have suggested will add \$400 million in income to our wheat producers for each of the next 4 years. It guarantees 100 percent of parity on domestic wheat sales.

Mr. YOUNG of North Dakota. Mr. President, will the Senator from South Dakota yield?

The PRESIDING OFFICER (Mr. MONDALE in the chair). Does the Senator

from South Dakota yield to the Senator from North Dakota?

Mr. McGOVERN. I am happy to yield.

Mr. YOUNG of North Dakota. First, I wish to thank my friend, the Senator from South Dakota, for his kind comments in reference to my work on this wheat legislation. I am happy to point out that it was the Senator from South Dakota who was the author of the present voluntary wheat certificate legislation, after the defeat of the compulsory wheat program in the producer referendum some 2 years ago.

I believe that the amendments which the Senator from South Dakota is offering are satisfactory. In some respects, they will make the program more complicated, but I understand that the Department of Agriculture feels that most, if not all, of these changes are necessary, and I am willing to accept them.

There is one point, however, that is most important, which I should like to have clarified.

I am sure that the Senator from South Dakota agrees that the most important part of the wheat section is that which provides for a guaranteed minimum price support of \$1.90 a bushel.

The bill which came from the committee, and it was my amendment, reads, on page 68, line 18, as follows:

Additional price support for wheat shall be made available through payments in such amount as (1) will bring the total amount of price support made available under this section up to a level not in excess of 100 per centum of the parity price for wheat and not less than \$1.90 per bushel.

The language which came from the Department of Agriculture, and which language I believe the Department is pressing, seems to change this in a very important way. It reads, on page 3, under section 2, of the amendment as follows:

In establishing the level of price support pursuant to paragraph (1) and in establishing the rates of diversion payments for diverting acreage under subsection (a) of section 339, the objective shall be to assure a total amount of returns to producers, including any proceeds from export marketing certificates, at a level not less than \$1.90 per bushel.

I believe that the amendment is wrong in that it includes all producer returns. That could mean that premiums a farmer might receive for high quality wheat when sold on a cash market would be included in this computation.

It would establish a very complicated and unacceptable procedure. I do not believe that this was the intent of the committee. I am sure that it is not the intent of the Senator from South Dakota.

I have some language to suggest which will cover this. This has been prepared by the Agriculture Committee staff. It may be subject to some technical changes. However, I believe that it would accomplish what we want to do. The language reads:

The level of price support pursuant to paragraph (1)(a) multiplied by the number of bushels for which domestic marketing certificates are issued to producers, plus the level of price support pursuant to paragraph

(1) (b) multiplied by the number of bushels of wheat for which domestic marketing certificates are not issued, plus diversion payments for diverting acreage under subsection (a) of section 339, plus the proceeds from export marketing certificates shall, when averaged over the projected yield of the national average allotment, be not less than \$1.90 per bushel.

While it may be subject to some technical changes, this is what we need, I believe, to accomplish what we set out to do in the committee.

Mr. McGOVERN. Mr. President, the Senator from North Dakota is truly an expert in this field of wheat legislation. He is a wheat farmer himself.

As I understand the language the Senator has just read, it would firm up and spell out in greater detail exactly what we are trying to accomplish in this legislation. As the Senator states, it is intended to assure the farmers of full parity on their domestic production so that when blended with the export wheat, we would end with a total blend price of not less than \$1.90 a bushel.

I believe that the language which the Senator from North Dakota has proposed makes good sense and that it should be incorporated in my amendment.

Mr. YOUNG of North Dakota. Does the Senator from South Dakota accept this language?

Mr. McGOVERN. Mr. President, I modify my amendment to incorporate the language suggested by the Senator from North Dakota.

I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I appreciate very much the kindness of the distinguished Senator from South Dakota in accepting the language submitted by the Senator from North Dakota [Mr. YOUNG].

I believe that this language clarifies the amendment. I believe that both Senators are probably trying to accomplish the same purpose.

The language that has been submitted would definitely assure the \$1.90 a bushel price for wheat, regardless of protein content or any of the other items that enter into the cost on the farm.

The Senator from North Dakota had a good point. If we must analyze every phase that enters into the cost, it would be such a complicated piece of legislation that it would not be operative.

This is a very worthy suggestion. I appreciate very much the acceptance by the Senator from South Dakota of this modification to his amendments. I believe it will be most helpful.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. YOUNG of North Dakota. Mr. President, the sole objective of the modification is to assure the farmer a minimum blended price support of \$1.90 a bushel.

Mr. McGOVERN. Mr. President, I appreciate the efforts of the Senator to make sure that that language is contained in the bill. It is comforting to have the words of reassurance from the Senator from Kansas [Mr. CARLSON].

Mr. President, I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, the section entailed a great deal of discussion. It was discussed pro and con for some time. The committee desired more or less to guarantee to the wheat farmers a minimum sum a bushel.

It will be recalled that the administration sent up wheat provisions under which the consumer would have paid a larger part of the cost of this program. There was such opposition in the House to raising the cost to the consumer that the House amended the administration bill to keep the amount paid by the consumer at the same level as in the past.

The objective of the House was to attain a blended support price of at least \$1.81 a bushel. Pursuant to that objective, I suggested a method to attain that goal. The Senator from North Dakota had a different proposal that would increase that goal from \$1.81 to \$1.90. The committee considered this proposal at length and finally agreed to it. There was no opposition.

As I understand the amendment that is now being proposed, the same goal that is provided for in the bill would be attained through a different method without any further cost to the Government. The blend price will not be less than \$1.90. We are trying to reach the same goal for the producer of wheat. The only difference is in the method of attainment.

I understand that one of the amendments which has been added would provide for obtaining a part of the \$1.90 a bushel through diversion payments on the diversion required as a result of reducing the national acreage allotment below 55 million acres.

Mr. McGOVERN. The Senator is correct.

Mr. ELLENDER. That is really the essential difference between the two plans. As I understand the situation, the program more or less would retain and maintain the certificate program which was worked on a few years ago, but by counting the diversion payments just mentioned and returns from a variable export certificate, as well as the support price, is designed to give the producer a blendid return of \$1.90 per bushel.

Mr. McGOVERN. The Senator is correct.

Mr. ELLENDER. As I understand, the amendment, as modified, changes the wheat provisions of the bill to provide for—

First. The issuance of domestic marketing certificates to producers.

Second. Price support for wheat accompanied by domestic marketing certificates at as near parity as practicable, but not less than \$2.50 per bushel.

Third. Price support for noncertificate wheat at a level not more than parity, determined after consideration of competitive world prices of wheat, feed value in relation to feed grains and the feed grain price support level.

Fourth. A total return to producers of not less than \$1.90 per bushel from first, support prices; second, payments on the diversion required as a result of reducing the allotment below 55 million acres;

and third, proceeds from a new type of export marketing certificate.

Fifth. An export marketing certificate which would be sold to exporters at an amount determined on a daily basis which would make U.S. wheat and flour competitive without disrupting world prices.

Sixth. Issuance of export marketing certificates to producers at the end of the marketing year on a pro rata basis. The value of such certificates would be based on the total amount received from exporters less the total amount of wheat export subsidies paid to exporters.

The maximum cost of certificates to processors would, as in the committee bill, be not more than the difference between the loan level and \$2 for 1966, with discretionary authority in the Secretary to increase it up to the difference between the loan level and parity in subsequent years if bread prices rose.

The amendment also strikes out the provision in the committee bill which would have permitted the Secretary to suspend the requirement that processors acquire certificates.

Mr. McGOVERN. The Senator is correct.

Mr. ELLENDER. Mr. President, as chairman of the committee, I had a full discussion on the matter before the committee and went into every phase of these payments. I have no objection to agreeing to the amendment.

Mr. McGOVERN. Again I express appreciation to the chairman of the committee for his consideration throughout the hearings, not only on the wheat section, but on other complex sections of the legislation. No one could have possibly been more thoughtful and considerate toward the other members of the committee than was our chairman, the Senator from Louisiana [Mr. ELLENDER]. So I very much appreciate his support of the proposed amendment.

Mr. President, if there are no further comments, I move the adoption of the amendment of the Senator from South Dakota [Mr. McGOVERN], as modified.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 437), as modified, was agreed to, as follows:

On page 64, line 12, after the period, add the following: "Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat he estimates will be used during such year for food products for consumption in the United States, and (2) the national allocation percentage for such year which shall be the percentage which the national marketing allocation is of the amount of the national marketing quota for wheat that would be determined for such marketing year if a national marketing quota for such year had been proclaimed less the expected production on the acreage allotments for farms which will not be in compliance with the requirements of the program. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and mul-

tipling the resulting number of bushels by the national allocation percentage."

On page 68, strike out lines 10 through 17, and substitute the following:

"(1)(a) price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, but in no event less than \$2.50 per bushel, (b) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains."

On page 68, beginning with line 18, strike out down through line 21 on page 69 and substitute the following:

"(2) The level of price support pursuant to paragraph (1)(a) multiplied by the number of bushels for which domestic marketing certificates are issued to producers, plus the level of price support pursuant to paragraph (1)(b) multiplied by the number of bushels of wheat for which domestic marketing certificates are not issued, plus diversion payments for diverting acreage under subsection (a) of section 339, plus the proceeds from export marketing certificates shall, when averaged over the projected yield of the national acreage allotment, be not less than \$1.90 per bushel."

On page 67, beginning with line 9, strike out down through line 4 on page 68 and substitute the following:

"(f) Section 379e of such Act is amended by adding at the end thereof the following: 'Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1966 through the 1969 wheat crops to persons engaged in the processing of food products at the face value thereof less any amount by which price support for wheat accompanied by domestic marketing certificates exceeds \$2 per bushel; except that if the Secretary determines that the average price of bread in the United States has increased following enactment of the Food and Agriculture Act of 1965 and prior to the beginning of such marketing year, the Secretary may increase such price to an amount not exceeding the face value of such certificates. The exception contained in the preceding sentence shall not be applicable to the marketing year for the 1966 crop.'"

On page 72, after line 25, insert the following:

"(2) Amendment (13) of section 202 is amended by striking out 'only with respect to the crop planted for harvest in the calendar year 1965' and substituting 'with respect to the crops planted for harvest in the calendar years 1965 through 1969'."

On page 65, strike out lines 12 through 23.

On page 72, beginning on line 24 change the semicolon to a period, and strike out down through line 25.

On page 63, lines 8 to 10, strike out "by striking out 'not accompanied by marketing certificates,' and substituting 'under section 107(1) of the Agricultural Act of 1949,' and (3)'"

On page 75, between lines 16 and 17, insert the following:

"Section 379d(b) is amended by striking out the second sentence and substituting the following: 'The cost of the export marketing certificates per bushel to the exporter shall be that amount determined by the Secretary on a daily basis which would make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States.'"

"Section 379c(a) is amended by striking out everything in the next to the last sen-

tence beginning with the words 'United States' and substituting the following: 'United States. The Secretary shall also provide for the issuance of export marketing certificates to eligible producers at the end of the marketing year on a pro rata basis. For such purposes, the value per bushel of export marketing certificates shall be an average of the total net proceeds from the sale of export marketing certificates during the marketing year after deducting the total amount of wheat export subsidies paid to exporters.'"

"Section 379c(c) is amended by striking out 'and the face value per bushel of export certificates shall be the amount by which the level of price support for wheat accompanied by export certificates exceeds the level of price support for noncertificate wheat.'"

Mr. YOUNG of North Dakota. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MONDALE. Mr. President, in the Washington Daily News of Thursday, September 9, 1965, there appeared an article written by Mr. John Herling, commenting on what is known as section 703 of the Food and Agriculture Act as recommended by the Committee on Agriculture and Forestry, which sets forth certain figures on the cost of wheat, designed to indicate that the U.S. 50-percent shipping requirement is not a factor in the sale of American wheat. I was surprised to read these figures, because I had never heard them before. I checked them carefully with the U.S. Department of Agriculture, agricultural service, and find on proper analysis, that they prove the point of those of us who have charged that this restriction prevents the sale of American wheat rather than improves it.

I ask unanimous consent that the article by Mr. Herling, together with my analysis with respect to it, be printed in the RECORD at this point.

There being no objection, the article and analysis were ordered to be printed in the RECORD, as follows:

SOVIET WHEAT RHUBARB

(By John Herling)

A great storm has been whipped up in the Wheat Belt over the alleged bullheadedness of the American maritime unions on the subject of wheat shipments to the Soviet Union.

According to some farm State Senators, notably Senators GEORGE MCGOVERN, Democrat, of South Dakota, and WALTER MONDALE, Democrat, of Minnesota, more than a quarter billion bushels could be sold to the Soviet Union were it not for the blocking tactics of the American labor movement.

It appears that the American unions insist on sticking to the agreement brought about in 1963 by President Kennedy and nailed down under President Johnson. This calls for the export of U.S. wheat on a 50-50 shipment basis: at least half to go in U.S. ships and the rest in foreign-flag ships.

Because of the superior wage scales and employment conditions on U.S. ships, U.S. shipping costs are higher than those charged by foreign-flag ships. While U.S. unions would be ready to ship wheat abroad, they believe that it should not be done at the expense of hard-won U.S. living and working standards. They also maintain that shipment of more than 50 percent grain in for-

ign-flag ships could prove another blow to the diminishing U.S. maritime industry.

In the meantime Senators MCGOVERN and MONDALE have introduced an amendment to the farm bill which calls for the relaxation of the foreign-flag restrictions as applied to wheat shipments.

Union spokesmen express puzzlement not so much about the concern of farm State Senators for their constituents which they regard as natural—but about the nature of the attack on the labor position.

First of all, say the AFL-CIO spokesmen, the issue here is not the sale of wheat but the size of the profit which the Continental and the Cargill grain companies want to make on the export deal. Already the Russians have bought from Canada for \$2.21 a bushel the same quality of grain which the exporters can buy in Galveston for \$1.74. With an export subsidy of 50 cents a bushel, this brings the cost down to \$1.24. At this point a series of charges are added: 3 cents a bushel for loading, 54 cents a bushel for U.S.-flag ships and 30 cents for an export certificate—which brings the export price up to \$2.11 a bushel, as compared with the \$2.21 paid by the U.S.S.R. for Canadian wheat. Even if all the wheat were shipped in U.S. vessels, the wheat exporters would still be making a good profit. If the wheat is shipped 50-50 between foreign-flag ships and U.S. ships, under the Kennedy-Johnson agreement, the wheat exporters would be making a handsome \$41 million profit. But if the agreement were scrapped and the wheat were shipped in foreign-flag ships alone, the export companies would harvest a \$60 million profit.

At the same time, the AFL-CIO spokesmen declare the unions are not arbitrary or inflexible on the whole issue. But so far, they say—contrary to the impression created by a spate of stories on the subject—neither President Johnson, Vice President HUMPHREY, Commerce Secretary Connor, Labor Secretary Wirtz, Agriculture Secretary Freeman, or even the Senators involved, have talked to AFL-CIO President George Meany. Nor, says the AFL-CIO, has any proposition been placed before the Maritime Advisory Committee, which was set up in 1964 to handle such problems, following a similar crisis on wheat shipments.

ANALYSIS

In yesterday's Washington Daily News, a column by John Herling puts forward the dubious thesis that the American bottoms requirement is not preventing wheat sales to Russia at all. The author quotes some figures which, he argues, show that even if all our grain were shipped in American vessels to Russia, our wheat exporters could still make a sizable profit at existing prices.

Unfortunately, the figures Herling uses are simply inaccurate. He quotes the price of \$2.21 a bushel paid by the Russians for wheat they bought in Canada, and argues that, using U.S.-flag ships, we could sell wheat abroad for \$2.11 a bushel. Unfortunately, he apparently does not realize that the \$2.21 price he uses for Canadian wheat is really a price in Canadian dollars. At the August 12 exchange rate of 92.78, this would translate to a price of roughly \$2.06 in U.S. dollars. This means that the relevant comparison is between \$2.06 a bushel for Canada wheat, and \$2.11 a bushel for American wheat in American bottoms.

Mr. Herling's article also demonstrates some other unfortunate misunderstandings. He writes as though the issue concerns all of American wheat shipments abroad, or all of American cash wheat sales. In fact, no one is questioning the 50-percent bottoms requirement for Public Law 480 grain sales, and there has never been a 50-percent restriction on commercial sales to countries other than those in the Soviet bloc.

I think it is important to get the real facts here. The latest Foreign Agricultural Service figures estimate that the No. 3 Manitoba wheat sold by Canada to the Russians has a delivered price, at Odessa, of \$76.82 a metric ton. The comparable American grade is No. 1 Heavy Northern Spring, 15-percent protein. This wheat, on September 1, 1965, had a delivered price, at Odessa, of \$79.12 a ton, when sent 50 percent in American bottoms. Latest Department of Agriculture estimates indicate that the extra cost per ton of sending wheat in 50 percent American bottoms is about \$3.

If we subtract this from the present delivered price of American wheat to Odessa, \$79.12, we can conclude that, if it were not for the American bottoms requirement, we could supply wheat to the Russians at Odessa for \$76.12, about 70 cents less than the Russians are paying the Canadians for equivalent wheat.

It seems to be alleged in Mr. Herling's article that the high present American price—\$79.12 a ton delivered at Odessa in 50 percent American bottoms—includes excessive profits for the American wheat export companies, and that they could afford to provide wheat at much lower cost. I do not believe there is very much substance to this argument. Wheat exporting is a very competitive business, and this fact tends to drive profits down. According to exports in the Grain Division of the Foreign Agricultural Service, a profit of \$1 per ton is a very good one on such large scale sales, and such sales are often made on profits very much smaller than this, even less than 25 cents a ton.

Thus any claim that the difference between the present delivered prices of comparable American and Canadian wheat—roughly \$2.30 a ton—is due to profit margins of wheat exporters simply does not make very much sense.

Mr. McNAMARA. Mr. President, much has been said today—both for and against the requirement that 50 percent of the wheat shipments authorized under this act must go in American bottoms. What concerns me is the fact that little if anything has been said concerning the obligations of the American merchant marine.

A substantial number of our shipping lines receive Government operating subsidies—the purpose being to enable the American flags with their higher operating costs to compete with the foreign flag lines. The theory behind such a program is excellent. However, the actual experience is much more sobering.

The experiences which I have in mind relate specifically to the Great Lakes and the St. Lawrence Seaway, and may be unique to this area.

However, as this Great Lakes area comprises the heartland of American manufacturing and farming, as well as being one of the largest taxpaying areas of our country, I firmly believe that it is entitled to fair and equal treatment, especially by those shipping lines receiving Government operating subsidies. The opposite, I am sad to say, is true.

The St. Lawrence Seaway owes much of its remarkable progress thus far to the efforts of the foreign-flag shipping lines who have been primarily responsible for the development of this fourth seacoast.

It seems that the American-flag lines, knowing they automatically must receive 100 percent of military cargoes and 50 percent of all other cargoes shipped under Government programs, are satis-

fied to wait and, therefore, force the cargoes to come to them at tidewater ports of their choosing. Many of these lines, I might add, are subsidized.

In theory, it should be cheaper to ship directly to Europe from the Great Lakes area where products are manufactured rather than transport those products overland to tidewater ports and then ship them to Europe.

But because the American-flag lines have jacked up the Great Lakes to Europe freight rates so high on cargoes with military potential, direct shipments from Great Lakes ports to European destinations have been virtually eliminated.

As I said earlier, the Federal Government pays subsidies to U.S.-flag lines to enable them to compete with foreign-flag lines. But in the case of the Great Lakes this purpose has not been realized.

For example, on military-type items being shipped to Europe, the ocean rates from tidewater ports for all lines, foreign and domestic, and the foreign-flag lines rates from the Great Lakes to Europe, are almost identical.

But American-flag line rates from the lake ports to Europe, despite the Federal subsidy, are 65 percent higher than via foreign-flag ships. This same situation generally holds true for most other cargoes originating in the Great Lakes area.

Under the law, 100 percent of military cargoes must be shipped in American bottoms. However, military cargoes shipped from Great Lakes ports have dropped from a high of 151,000 measurement tons in 1962 to an estimated low this year of only 45,000 measurement tons.

What is the reason for this?

Well, when it comes time to ship these military products manufactured in the Great Lakes area, as required by law in American bottoms, American ships mysteriously just are not available at Great Lakes ports. And so the cargoes must be transported overland, at greater cost, to tidewater ports, where American line ships are available to carry them.

However, in this instance, the Defense Department must share an equal portion of the blame.

For example, in 1964, 89.5 percent of all military cargoes carried on ships chartered by the Defense Department came from the Great Lakes area, but were actually shipped via tidewater ports.

This action is contrary to a study made by the Defense Department in 1961 in which the use of controlled ships was recommended to take advantage of the lower landed costs via lake ports.

Whatever the outcome of the vote on section 703, I firmly believe that serious consideration should be given by the Senate toward taking whatever action it deems necessary to insure that the Government is getting a fair and just return for its subsidy dollar.

This should include, I believe, a study into the current method of subsidy payments. Further, it should result in the development of a method whereby all areas of the country would share in the benefits of the American-flag line subsidies, for which we all pay.

Mr. MANSFIELD. Mr. President, I have been giving some thought to section

703, about which there has been discussion on the floor of the Senate on yesterday and today. May I say, in all frankness, that I am in favor of the proposal advanced by the distinguished Senator from Minnesota [Mr. MONDALE], the distinguished Senator from South Dakota [Mr. MCGOVERN], and others, and I am delighted we have had this chance to discuss the matter out in the open so a better understanding could better be achieved.

I do not feel wheat should be penalized at the expense of every other commodity. If we are going to penalize wheat, why do we not penalize all the other commodities which are sent abroad without any of the burdens and drawbacks that are applicable in the case of wheat?

In other words, I join with my colleagues from the wheat-producing States in saying all we want is the same kind of fair deal for wheat that other commodities are given when they are sold overseas.

I am aware of the fact, as are other Senators, that some days ago a resolution was introduced by the Senator from South Dakota [Mr. MCGOVERN] and the Senator from Missouri [Mr. SYMINGTON], seeking to investigate an additional ramification of this existing requirement with respect to the shipments of wheat abroad. That resolution is now in the Committee on Foreign Relations. Just today I had a talk with the distinguished acting chairman of that committee, the Senator from Alabama [Mr. SPARKMAN]. He told me hearings had been scheduled on the McGovern-Symington resolution for Monday next.

Therefore, if Senators would agree, and most especially those from the same area that I come from, the wheat-producing area, I would like at this time, on my own initiative, because of the fact that a hearing will be held on Monday and the resolution will in all likelihood be reported out—I repeat, on my own responsibility at this time, even though I favor it—to move to strike section 703. I am of the opinion that the Committee on Foreign Relations will agree that the existing policy is unwise and when the resolution returns to this Chamber for consideration, we will have the benefit of the considered judgment not only of the Committee on Agriculture but also the Committee on Foreign Relations.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. MONDALE. I believe the discussion and debate that have been engendered by section 703, and as contained in the committee report, have already been most useful in creating a broader public understanding of what is involved. The section was unanimously approved by the Agriculture Committee—

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. MANSFIELD. I am delighted the Senator has emphasized the fact that section 703 was unanimously approved by the Senate Committee on Agriculture and Forestry. When the matter is investigated thoroughly the wisdom of the

proposal by the distinguished Senator from Minnesota [Mr. MONDALE] is clear.

Mr. MONDALE. I thank the Senator very much. I think it is significant, in terms of expressing the unanimous feeling, that after a substantial discussion of the committee, it was felt that the 50-percent limitation was very unfair to the agriculture economy, denied improvement in the international balance-of-payments situation, and did not hurt the Communist bloc in any way, shape, or form whatever. It simply gives us 50 percent of nothing.

Since the discussion on this matter has come up time and time again, there has come to attention the existence of a memorandum from the legal section of the State Department indicating that 30 existing laws are probably being violated in principle by the 50 percent American bottom requirement. In line with that, the hearings by the Foreign Relations Committee, set for next Monday, on the resolution by the Senator from Missouri [Mr. SYMINGTON] and the Senator from South Dakota [Mr. McGOVERN], are well in order.

I am 100 percent enthusiastically in favor of section 703, but in line with that information, and because further information will strengthen that view, I therefore do not oppose the motion.

Mr. MANSFIELD. I appreciate the understanding shown by the distinguished Senator from Minnesota. I know how much this means to him, and how interested he is in this particular section. I have discussed with him the value of adding the consideration and deliberations of the Foreign Relations Committee to the existing arguments so ably developed and articulated by him.

I note that since we started the colloquy the distinguished acting chairman of the Foreign Relations Committee has returned to the floor. I wish to repeat, so he may either confirm or deny the statement I made, that it had been his intention to hold hearings on the McGovern-Symington resolution on Monday next in the Foreign Relations Committee.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SPARKMAN. What the distinguished majority leader has said is correct. Earlier today I had discussed with the staff director of the Foreign Relations Committee our agenda for Monday's meeting. This resolution was included. This was the first I knew of the move to strike the section out. We will proceed as expeditiously as possible.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, as was stated by the distinguished majority leader, as well as the distinguished Senator from Minnesota [Mr. MONDALE] the proposal that is included in section 703 was adopted by the committee unanimously. Although I am somewhat disappointed that it should be abandoned and referred to the Committee on Foreign Relations, there is yet a possibility that the Foreign Relations Committee

may take a little stronger action than we did, because section 703 simply states that it is the sense of Congress that such and such be done.

All this came about, Mr. President, when the late President John F. Kennedy agreed to sell wheat to Russia. One of the conditions he imposed by Executive order was that at least 50 percent of the wheat sold to Russia be shipped in American vessels.

There is no law at all on the statute books with respect to that problem. As the majority leader has stated, why should we restrict the shipment of wheat when, as a matter of fact, there is no restriction whatever on any other commodity sent abroad to countries who desire to buy from us?

I am hopeful that if the Committee on Foreign Relations takes up this matter, they will come in with something of substance upon which the Senate may act as quickly as possible.

I think we have sufficient protection in the law at present, as regards the shipment of wheat and other surplus commodities, under the Public Law 480 program. That restriction has been with us for a long time, and since that wheat is more or less used to effectuate our foreign policy, there has never been any serious objection to the requirement of 50-50 shipment in American bottoms under Public Law 480.

But in relation to the sale of other commodities which we sell for dollars in the regular course of trade, to impose restrictions on wheat—or in fact on any commodity—I think is wrong, no matter to whom the commodity is sold. All commodities should be treated similarly. I again express the hope that if, as and when the Foreign Relations Committee deals with the subject, it doesn't put it in the sense of Congress, but makes it legal.

Mr. CARLSON. Mr. President, I shall certainly not oppose the motion made by the distinguished majority leader [Mr. MANSFIELD] in regard to removing section 703.

I, too, am somewhat disappointed that we do not get action immediately, but on the other hand, I am a member of the Senate Foreign Relations Committee, as is the distinguished Senator from Montana. Our ranking majority member on the committee, the Senator from Alabama [Mr. SPARKMAN] has just stated that the committee will begin hearings Monday.

This is an issue upon which we should get action, and I sincerely hope we can get action this session of Congress. I realize that any action coming from the Senate Foreign Relations Committee in the form of a resolution would probably not only have to pass this body, but the other body on the other side of the Capitol, in order to become law. But it is a matter that should be resolved, and I hope we can get early action.

For that reason, I shall certainly not oppose the removal of the section, but sincerely hope for early action on some such resolution.

Mr. DOMINICK. Mr. President, I wish to express my appreciation to the Senator from Montana for the action he

has taken. I think it points up the degree of interrelationship which seems to exist—and sometimes it is unfortunate—between the State Department and the Department of Agriculture.

It strikes me that since this issue affects so many different branches of our Government and so many facets of our foreign relations, nothing could be better than to get it before the Committee on Foreign Relations, so that they may consider it at some length. I am happy to support the motion.

Mr. McGOVERN. Mr. President, I simply wish to state that I subscribe completely to the views of the Senator from Montana, the distinguished majority leader, and with those of the Senator from Louisiana [Mr. ELLENDER], the chairman of our committee, and the others who have spoken.

I think the route now proposed is the most practical one for us to take. The case has been made on the Senate floor, it seems to me, in a very compelling fashion. There seems to be some indication that on the administration side, in maritime circles, and elsewhere, there is willingness to take a careful and thoughtful look at this restriction, which is helping no one and hurting many parts of our economy, and which may in fact be in open violation of some of our sacred treaty obligations.

It is to that latter question that my resolution which will be heard before the Foreign Relations Committee on Monday is directed.

So I am happy to support the motion of the distinguished majority leader.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment to the committee amendment was agreed to.

Mr. MANSFIELD. I ask unanimous consent that the Senate reconsider the vote by which the amendment was agreed to.

Mr. MONDALE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 428

Mr. CARLSON. Mr. President, I call up my amendment No. 428.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. CARLSON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed in the RECORD at this point.

The amendment ordered to be printed in the RECORD is as follows:

On page 44, line 8, after the words "wheat so stored", strike out the period and quotation mark and insert the following: ", and a married producer shall be deemed to be in compliance with the provisions of this Act unless the Secretary finds: (1) Managerial control of a noncomplying farm by either husband or wife is shared by the spouse, or (2) there have been changes in the operations or managerial control of a noncomplying farm which would tend to negate

the offsetting compliance provisions for either spouse."

Mr. CARLSON. Mr. President, my amendment, on its face, seems ridiculous. Stated very simply, it permits a man and wife to live together in the same household and still comply with the farm program.

We hear a great deal about the family farm and keeping the farm family together, but all I seek to do with this amendment is to make it possible for a legally married couple—who owned property individually, previous to their marriage—to live in the same dwelling and still participate in the farm program.

Here is what actually happened in a case with which I am familiar:

A lady whose husband passed away in 1948 purchased a quarter section of land in 1951 and later remarried. Her second husband also owned land. She operated her quarter section of land on her own through all the years from 1948 to 1965, and still does. Her second husband operated his land, but was informed last year that he would have to give up his wheat program benefits because his wife overseeded her wheat allotment. He was in compliance on his land, but the USDA ruled the land must be treated as a unit.

I would agree if they each own an interest in the land, or share in the profit, the land should be considered one unit, and this is provided in the amendment.

The Department in its letter dated August 17, 1965, stated:

Therefore, we hold the opinion that husbands and wives, as well as minor children, who share the same household may not be considered as separate producers in determining the compliance of one family member under the offsetting compliance requirement of the feed grain and wheat program.

In this particular case, the State ASC office granted relief this year, but it is about seeding time again, and according to the ruling of the Department of Agriculture, it will be necessary for Mrs. X to live in another household in order to be in compliance with these orders. If this were done, they would be able to operate their farm separately and participate or not in the present wheat program.

It is situations like this that make it so difficult for farmers to understand what Congress intends when it passes a farm bill.

I have also received a letter from a county agent in a large wheat-producing county, in which he mentions similar situations. There are only a few of them, but this sort of thing certainly discredits the farm program in the Wheat Belt and in every State in which wheat is grown.

I sincerely hope that the Senator from Louisiana will take the amendment to conference. If there were something wrong with it, I would not offer it. I believe it should be adopted in order to clear up situations like this, and to similar situations from developing.

Mr. ELLENDER. Mr. President, I am told by our counsel that the proposed amendment would not do what the Senator from Kansas believes it would do. An amendment will be proposed by the

distinguished Senator from Washington [Mr. MAGNUSON], which deals with the same subject matter. The only difference between the amendment to be offered by the Senator from Washington and the proposal now before us by the Senator from Kansas is that the Magnuson amendment deals with State lands which are leased to various farmers.

If one farmer fails to live up to the contract, all other farmers who obtain lands through lease from the State suffer. The Department now has authority to deal with the problem. The Senator stated a moment ago that the subject was dealt with last year by the Department, and I presume in a way that was satisfactory to the individuals involved.

I ask my good friend the Senator from Kansas to permit us to consider the amendment on Monday. I should like to consult with the Department and give the representatives of the Department an opportunity to point up the implications involved in both the amendment offered by the Senator from Kansas and the amendment offered by the Senator from Washington [Mr. MAGNUSON]. I stated to the Senator from Washington that I would consider his amendment, and since both amendments deal with the same problem, though in a different way, it might be well for that procedure to be followed.

I do not see any objection to the amendment. At least, I see no objection to what the Senator seeks to do. But whether the language he has proposed would do that is something I question. For that reason, if my good friend will withdraw the amendment, we shall consider the subject on Monday. Meanwhile I shall have something done about it by the Department so that we can accomplish what the Senator seeks to do.

Mr. CARLSON. Mr. President, as usual, our distinguished chairman of the Committee on Agriculture and Forestry [Mr. ELLENDER] is most generous in his desire to be helpful. I have but one desire, and that is to avoid not only the problem about which we have spoken, but a great deal of criticism which results in discrediting a farm program. When people in a rural community discuss the subject, they say that they do not understand people in Washington when they write this kind of language and laws like this. I am anxious to cooperate with the chairman, and sincerely hope that we can work out something together. I have no pride of authorship in the amendment. I am merely trying to relieve a situation that I believe should be corrected. On that basis I withdraw the amendment.

Mr. ELLENDER. I am sure we can probably get together on some language.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 433 AND 434

Mr. CARLSON. Mr. President, I call up my amendments Nos. 433 and 434.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the amendments be considered en bloc?

Mr. CARLSON. I ask unanimous consent that the amendments be considered en bloc and that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be printed in the RECORD.

The amendments are as follows:

Page 9, line 3, after the word "amount" strike the period and insert the following: "Provided, That in no event shall the Secretary require any producer, as a condition of eligibility for conservation payments made pursuant to this section or price support loans or payments made pursuant to section 105 of the Agricultural Act of 1949, as amended, to increase the average acreage of cropland that was devoted during the base period to designated soil-conserving crops or practices (including summer fallow and idle land) to more than 50 per centum of the total cropland on the farm."

Page 33, line 14, strike the period after the word "reserve" and insert the following: ", but in no event shall the total average acreage of cropland that was devoted during the base period to designated soil conserving uses (including summer fallow and idle land) be more than 50 per centum of the total cropland on the farm."

Mr. CARLSON. Mr. President, the purpose of these two amendments is to correct an inequity in the present wheat and feed grain program in regard to its application to farmers in dryland areas where summer fallow is a necessary farming practice.

These amendments were not considered in the Committee on Agriculture in the House of Representatives, although my very good friend, Representative ROBERT DOLE, has discussed them with me following that, because these amendments had not been called to the attention of the committee.

Summer fallow is a farming practice under which farmers set aside a portion of their farms each year in order to preserve necessary soil moisture thereby insuring that any crops planted during the following year will be able to develop and grow.

It is a practice that must be followed if farmers in these areas will be able to produce a crop.

The present wheat and feed grains law both establish a requirement that when a farmer participates in these programs he must add additional acres to his soil conserving base. The soil conserving base is generally defined as permanent pasture, farm roads, timberland, and so forth, and summer fallow land during an established past period of time.

The idea behind the soil conserving base and the requirement that it must be increased if a farmer participates in the program is a sound one. The idea is to prevent a cooperating farmer from idling some wheat or feed grain acres and then plowing up pastures or grassland and plant other crops, thus defeating one of the basic purposes of these programs, which is of course to hold down the overall production of crops.

This requirement, however, when applied to dryland farmers who must use the summer fallow practice in order to survive, often results in a severe hardship on these farmers.

These farmers often must devote substantial portions of their farms each year to the summer fallow practice in order to keep their soil in a condition which will enable it to produce crops the next year.

Thus the requirement that the soil conserving base be supplemented by additional retired acres frequently results in an individual farmer being unable to farm less than one-half of his farm.

The two amendments would provide that these farmers not be required to maintain over one-half of their farms in soil conserving and summer fallow practices.

In other words, these amendments would insure farmers participating in the wheat and feed grains programs that they could farm at least one-half of their farms.

This amendment is needed to alleviate a hardship applicable to the limited number of farmers who are in summer fallow areas.

As can be seen by the language of the wheat title of this bill there is already proposed a special reserve for cases of this nature. The proposed amendment would simply further clarify these provisions.

In the case of feed grains the amendment would allow participating farmers to receive all the program benefits, even though their soil conserving base would otherwise represent more than one-half of the total cropland of their farms.

Certainly our farm programs should allow cooperating farmers the opportunity to farm at least one-half of their farms. Certainly the present law and the bill establish and perpetuate an inequity for summer fallow farmers. These amendments will help to correct these inequities, and I urge their adoption.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER (Mr. Russell of South Carolina in the chair). The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I wish that I could agree with my good friend the Senator from Kansas, but the amendment would allow the farmers to plant soybeans, and almost any other crop they might desire, on the land that they are supposed to divert from planting anything on.

Therefore, I hope that the Senate will reject the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas [Mr. Carlson].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 435

Mr. MANSFIELD. Mr. President, I ask unanimous consent, at the request of the distinguished Senator from Tennessee [Mr. Bass], to call up amendment No. 435, and to have it stated.

The PRESIDING OFFICER. The amendment will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. On page 109, strike out line 24.

On page 110, strike out all language beginning with line 1 and going through line 8.

Mr. MANSFIELD. Mr. President, there will be no further business today, insofar as the farm bill (H.R. 9811) is concerned.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar, beginning with the Department of State on page 1.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

DEPARTMENT OF STATE

The legislative clerk proceeded to read sundry nominations in the Department of State.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The legislative clerk read the nomination of Dr. Gustav Ranis, of Connecticut, to be Assistant Administrator for Program Coordination, Agency for International Development.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The legislative clerk read the nomination of Bernard Zagorin, of Virginia, to be U.S. Alternate Executive Director of the International Bank for Reconstruction and Development for a term of 2 years and until his successor has been appointed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED NATIONS

The legislative clerk proceeded to read sundry nominations in the United Nations.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc, and that they include the name of James M. Nabrit, Jr., of the District of Columbia, on page 3.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

WORLD HEALTH ORGANIZATION

The legislative clerk read the nomination of Dr. James Watt, of the District of Columbia, to be a representative of the United States of America on the Executive Board of the World Health Organization.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The legislative clerk read the nomination of John A. Gronouski, of Wisconsin, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Poland.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On motion of Mr. MANSFIELD, the Senate resumed the consideration of legislative business.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 682, and that the rest of the calendar be called in sequence.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The clerk will state the various measures in order.

INCREASE IN RETIRED PAY OF CERTAIN MEMBERS OF THE FORMER LIGHTHOUSE SERVICE

The bill (H.R. 8761) to provide an increase in the retired pay of certain members of the former Lighthouse Service, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 699), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The purpose of the bill is to provide an increase in annuities for members of the former Lighthouse Service to place them on an equal status which recipients of civil service annuities.

BACKGROUND

H.R. 8761, and an identical bill, S. 2216, were requested by the Secretary of the Treasury in an executive communication.

The Lighthouse Service was merged with the Coast Guard in 1939 and the remaining civilian employees of the Service continue to serve until they reach retirement age. As of May 31, 1965, the Service has 546 retirees, with 82 still on active service.

The retirement system for these individuals is separate from the Civil Service Retirement Act and previously attempts have been made to equalize the benefits. However, Lighthouse Service retirees received no increase when civil service retirees were given a 5-percent increase in 1962.

The bill as introduced provided for a similar 5-percent increase for the Lighthouse Service retirees, but the House Committee on Merchant Marine and Fisheries believed a greater increase should be made because they have not benefited from this increase for the past 3 years. Accordingly, the Coast Guard was requested to calculate that percentage which, on an annuity basis, would place Lighthouse Service retirees on a parity with civil service retirees. As a result of those studies, which indicate a 6.5-percent figure, the House amended the bill to that figure. The Senate Committee on Commerce accepts the 6.5-percent figure.

INVITATIONS FROM FOREIGN PARLIAMENTARY BODIES

The resolution (S. Res. 145) to provide for responding to invitations from foreign parliamentary bodies was announced as next in order.

Mr. MANSFIELD. Mr. President, this resolution has been referred to the Committee on Rules and Administration, and I believe it is on the calendar in error.

BILL PASSED OVER

The bill (S. 1826) to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba, was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

AWARDING OF SERVICE PINS OR EMBLEMS TO MEMBERS, OFFICERS, AND EMPLOYEES OF THE SENATE

The resolution (S. Res. 21) providing for the awarding of service pins or emblems to Members, officers, and employees of the Senate was considered and agreed to, as follows:

Resolved, That the Committee on Rules and Administration is hereby authorized to provide for the awarding of service pins or emblems to Members, officers, and employees of the Senate, and to promulgate regulations governing the awarding of such pins or emblems. Such pins or emblems shall be of a type appropriate to be attached to the lapel of the wearer, shall be of such appropriate material and design, and shall contain such characters, symbols, or other matter, as the committee shall select.

SEC. 2. The Secretary of the Senate, under direction of the committee and in accordance with regulations promulgated by the committee, shall procure such pins or

emblems and award them to Members, officers, and employees of the Senate who are entitled thereto.

SEC. 3. The expenses incurred in procuring such pins or emblems shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 702), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 21 would authorize the Committee on Rules and Administration to provide for the awarding of service pins or emblems to Members, officers, and employees of the Senate, and to promulgate appropriate regulations governing the awarding of such pins or emblems. The pins or emblems would be of a type appropriate to be attached to the lapel of the wearer, and would be of such appropriate material and design and contain such characters, symbols, or other matter as determined by the committee.

In accordance with the committee's directive, the Secretary of the Senate would procure the pins or emblems and award them to the Members, officers, and employees who qualify. The expenses incurred in procuring the pins or emblems would be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee.

The Committee on Rules and Administration has made a preliminary survey of the procedures and qualification requirements established by a number of Government agencies for the awarding of service pins. If Senate Resolution 21 is agreed to by the Senate, the committee will issue implementing regulations to make the service awards proposal operative.

Regulations tentatively approved by the committee would provide, in pertinent part, as follows:

1. Type of award: The service pins or emblems shall be of a material and design and shall contain characters, symbols, and other matter as selected by the committee. In each case the recipient of an award will also be presented with an appropriate certificate of service, signed by the Secretary of the Senate.

2. Awards made annually: Early in 1966, the Secretary of the Senate shall arrange an appropriate ceremony for the initial awards of the pins or emblems to Members, officers, and employees of the Senate who were on the Senate payroll on date Senate Resolution 21 is agreed to and who at the end of the year 1965 were qualified for such award. Each recipient of these initial awards shall receive a single pin or emblem corresponding to his highest period of qualifying service. On an annual basis thereafter, the Secretary of the Senate shall arrange similar ceremonies for the presentation of awards to those who qualify therefor during the preceding calendar year.

3. Eligibility for award: The award of a pin or emblem to a Member, officer, and employee of the Senate shall be made after completion of 10 years of Senate service. Subsequent awards shall be made after the completion of succeeding 5-year periods up to and including 50 years of Senate service. Former employees of the Senate who previously have completed a minimum of 25 years of service shall also be eligible for an award upon application to the Secretary of the Senate.

4. Senate service defined: Senate service shall be limited to all service, whether continuous or not, performed while on the Senate payroll.

FANNIE E. HOLLOWAY

The resolution (S. Res. 146) to pay a gratuity to Fannie E. Holloway was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Fannie E. Holloway, widow of John H. Holloway, an employee of the Senate at the time of his death, a sum equal to nine and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

AUTHORIZATION TO STATE OF NEW MEXICO TO PLACE A STATUE OF THE LATE DENNIS CHAVEZ IN THE NATIONAL STATUARY HALL COLLECTION

The concurrent resolution (S. Con. Res. 46) to authorize placing temporarily in the rotunda of the Capitol the statue of the late Senator Dennis Chavez was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Senator Dennis Chavez Statuary Hall Commission is hereby authorized to place temporarily in the rotunda of the Capitol a statue of the late Dennis Chavez, of New Mexico, and to hold ceremonies in the rotunda on said occasion, and the Architect of the Capitol is hereby authorized to make the necessary arrangements therefor.

ACCEPTANCE BY CONGRESS OF A STATUE OF THE LATE DENNIS CHAVEZ IN THE NATIONAL STATUARY HALL COLLECTION

The concurrent resolution (S. Con. Res. 47) to authorize the acceptance by Congress of the statue of the late Dennis Chavez was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the statue of the late Dennis Chavez, presented by the State of New Mexico, is accepted in the name of the United States, and that the thanks of Congress be tendered to the State for the contribution of the statue of one of its most eminent citizens, illustrious for his historic renown and distinguished civic services, and be it further

Resolved, That a copy of these resolutions, suitably engrossed and duly authenticated, be transmitted to the Governor of New Mexico.

AUTHORIZATION TO PRINT AS SENATE DOCUMENT PROCEEDINGS INCIDENTAL TO ACCEPTANCE AND DEDICATION OF A STATUE OF THE LATE DENNIS CHAVEZ IN THE NATIONAL STATUARY HALL COLLECTION

The concurrent resolution (S. Con. Res. 48) to print as a Senate document the proceedings of the presentation, dedication, and acceptance by Congress of the statue of the late Senator Dennis Chavez was considered, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the proceedings at the presentation, dedication, and ac

The 450 Sertoma Clubs throughout the United States, Canada, and Mexico have a freedom program which dates back nearly half a century. Last year more than 5 million copies of the Declaration of Independence were distributed by Sertoma Clubs in the United States. The Utah Education Association has fully endorsed the freedom program as one which helps to instill better citizenship in our youth.

Mr. President, I ask unanimous consent that there be printed at the end of my remarks a letter dated August 27, 1965, which I have received from H. A. Zethren, president of Sertoma International, indicating that organization's executive committee has unanimously approved the sponsorship of a congressional resolution relating to Freedom Sunday and Freedom Week.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The joint resolution (S.J. Res. 110) to authorize the President to issue annually proclamations designating the Sunday of each year which occurs immediately preceding February 22 as Freedom Sunday and the calendar week of each year during which February 22 occurs as Freedom Week, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on the Judiciary.

The letter presented by Mr. BENNETT is as follows:

SERTOMA INTERNATIONAL,
August 27, 1965.

HON. WALLACE F. BENNETT,
U.S. Senate, Washington, D.C.

DEAR SENATOR BENNETT: The Executive Committee of Sertoma International, in its regular meeting of August 19, 20, 21, 1965, unanimously approved the activity of Dr. Levi E. Reynolds of Salt Lake City, in seeking the sponsoring and approval of a resolution of Congress, authorizing the President to issue annually, proclamations designating a Freedom Sunday. Therefore, as president of Sertoma International, and speaking for our entire membership, I respectfully join in requesting your sponsorship of the attached resolution directing such authorization.

We, in Sertoma, have observed over a period of years, the complacency and lethargy of our people generally in regard to that precious freedom heritage given us in our Declaration of Independence, and guaranteed to us in our Constitution. Our forefathers had such regard for these freedom principles, that they gave of their substance and even their lives to assure our children and succeeding generations, this freedom heritage and its related opportunities, as exemplified in our free enterprise system and its precious freedoms of speech and religious worship.

This complacency of our citizens generally, caused us in Sertoma, to feel that a gradual deterioration of these freedom principles can take place as the years go by, unless we have a means of creating a renewed awareness of this heritage of freedom. We also feel the need of implanting in the minds and hearts of our children, an appreciation and understanding of these basic freedom principles that have enabled us to achieve a stature as a nation that we now enjoy, and that have given us our abundant way of life.

This is the thing that has motivated us as an international service club organization, to establish our freedom program, that has

been cited year after year by the Freedom's Foundation at Valley Forge. We feel, though, that there is so much at stake, that we cannot guard our freedom program as a selfish personal program and interest, but must share it with everyone as an American way of life program.

We, in Sertoma, are grateful for your understanding of, and dedication to, these great freedom principles, and your willingness to give of yourself in sponsoring this resolution.

I will be pleased to hear of any suggestions that you may have for us as an assist to you in your sponsorship of the resolution.

Sincerely,

H. A. ZETHREN,
President.

Mr. CARLSON subsequently said: Mr. President, I ask unanimous consent that a joint resolution introduced this morning by the Senator from Utah [Mr. BENNETT] lie at the desk for 10 days for cosponsors before it is referred to the appropriate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPEAL OF SECTION 14(b) OF NATIONAL LABOR RELATIONS ACT—AMENDMENTS

AMENDMENTS NO. 442 AND 443

Mr. MUNDT (for himself and Mr. McCLELLAN) submitted two amendments, intended to be proposed by them, jointly, to the bill (H.R. 77) to repeal section 14(b) of the National Labor Relations Act, as amended, and section 705(b) of the Labor-Management Reporting and Disclosure Act of 1959 and to amend the first proviso of section 8(a)(3) of the National Labor Relations Act, as amended, which were ordered to lie on the table and to be printed.

FOOD AND AGRICULTURE ACT OF 1965—AMENDMENTS

AMENDMENT NO. 444

Mr. MUNDT (for himself, Mr. YOUNG of North Dakota, Mr. CURTIS, and Mr. PEARSON) submitted amendments, intended to be proposed by them, jointly to the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, which were ordered to lie on the table and to be printed.

WASHINGTON WORLD CONFERENCE ON WORLD PEACE THROUGH LAW

Mr. McGOVERN. Mr. President, I ask the Presiding Officer to lay before the Senate a message received today from the House of Representatives, and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair lays before the Senate a concurrent resolution received today from the House of Representatives, which will be stated.

The legislative clerk read as follows:

H. CON. RES. 468

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the people of the United

States welcome to their shores the jurists and members of the legal profession of these many nations and will join with them in this important effort to build world peace.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota?

There being no objection, the concurrent resolution was considered and agreed to.

The preamble was agreed to.

ADDITIONAL COSPONSORS OF BILL

Mr. PEARSON. Mr. President, I ask unanimous consent that the names of Senators BAYH, CURTIS, TYDINGS, and YOUNG of Ohio be added as cosponsors of the bill (S. 2411) for the establishment of a commission to study and appraise the organization and operation of the executive branch of the Government, at its next printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSOR OF RESOLUTION

Mr. HARTKE. Mr. President, I ask unanimous consent that, at the next printing of the resolution (S. Res. 142) proposing a study to determine feasibility of utilizing trade credits issued by the International Monetary Fund to facilitate international trade, the name of the Senator from New York [Mr. JAVITS] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Under authority of the order of the Senate of September 1, 1965, the names of Mr. BIBLE, Mr. CANNON, Mr. FONG, Mr. HART, Mr. JORDAN of Idaho, Mr. McGEE, Mr. McGOVERN, Mr. RANDOLPH, and Mr. TOWER were added as cosponsors of the concurrent resolution (S. Con. Res. 55) to express the sense of Congress relative to certain water problems confronting the United States and Canada, submitted by Mr. Moss on September 1, 1965.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. ROBERTSON:

Article entitled "Another Constitutional Convention Ahead?" printed in a pamphlet published by the Virginia Commission on Constitutional Government.

By Mr. YARBOROUGH:

Article entitled "Praxi Hogue, CJC, Geared for the Future," paying tribute to the president of Cisco Junior College, published in the Abilene Reporter-News of August 15, 1965.

Editorial entitled "A Chosen Man of God," in tribute to the late Dr. Albert Schweitzer, published in the Taylor (Tex.) Daily Press of September 6, 1965.

By Mr. RANDOLPH:

Salem College, Salem, W. Va., article in Parade magazine, September 5, 1965.

FARM BILL INCLUDES WILDLIFE SERVICE PAYMENTS

Mr. NELSON. Mr. President, I am pleased that the farm bill we are considering today includes a new wildlife service payments program and a permanent wildlife Advisory Board to the Secretary of Agriculture.

The service payments program will compensate farmers and ranchers who agree to manage idled cropland for wildlife and permit the public to use it without charge for hunting, fishing, trapping, hiking, and other types of recreation. It also gives State fish and game agencies an opportunity to assist in carrying out the wildlife recreation aspects of our farm program.

The wildlife and recreation aspects of our The Advisory Board, chosen from members of wildlife organizations, farm organizations, State fish and game agencies, and members of the general public, will make recommendations on wildlife policy relating to farm programs.

These new provisions, which I proposed in July, were added to title V of the farm bill by the Committee on Agriculture. They create an unusual opportunity for the farmer or rancher, who needs more income, and the urban resident, who needs more outdoor recreation space.

This program provides the best opportunity in recent years to greatly expand outdoor recreation opportunity through a small dollar investment in our rural areas.

The need is clear. The demand for recreational space, based on the availability of all kinds of outdoor resources, is creating so much pressure that a substantial part of this increasing demand will have to be met on private land if it is met at all. This is because of resistance to public land acquisition in many areas and lack of sufficient public money to buy and manage the recreation space that is needed.

This new program has widespread support from leading farm and conservation organizations. It has enthusiastic endorsement of the Farmers Union, National Grange, National Wildlife Federation, International Association of Game, Fish, and Conservation Commissioners, Midwest Pheasant Council, Wildlife Management Institute, Southeastern Association of Game and Fish Commissioners, North American Wildlife Foundation, and the J. N. "Ding" Darling Foundation.

In addition to providing a change in land use policy from the standpoint of recreation, this program also can reverse the serious and longtime downward trend in farm game populations. The great concern of conservationists over this trend is not prompted so much by the need for increasing hunting opportunity as it is to maintain farm game populations in the face of increasingly intensive farming practices.

Farming practices are becoming more and more unfavorable to wildlife in most parts of the United States, but particularly in the Midwest. Two of our best game birds, the quail and the pheasant, are most seriously affected because they require nesting cover in hayfields and

similar areas. But habitat for all kinds of small game—grouse, rabbits, doves, partridge, and many others—is disappearing.

The trend to more cultivated row crops such as corn and soybeans at the expense of small grains and hay is drastically reducing the acreage of these nesting cover crops. Crop rotation patterns have shifted away from the corn-oats-hay of recent years, eliminating the nesting cover it provided. Improved harvesting and weed control methods have sharply cut waste grain and weeds that once furnished food and cover for farm wildlife.

Cover for all types of wildlife also has been reduced by the trend toward "clean" farming: clearing of woodlots and brushy fence rows, burning and draining of marshy areas, indiscriminate spraying of weed and brush killers on fence rows and roadsides, and heavier grazing.

All these factors have cut small game numbers in our rural areas. And because of them our city sportsmen will soon have to look to properly managed private land for hunting opportunity. Farmers are willing and able to provide the management and hunting access that is needed in many instances, but they should have some assistance to do so.

This cropland retirement program, with the wildlife and recreation aspects properly emphasized, provides the incentives that will make that possible.

The wildlife service payments program goes hand in hand with the cost-sharing soil and water conservation practices that farmers would be expected to adopt in idling cropland. Such practices as pond building and tree and shrub planting help provide habitat for fish and wildlife, land use permanence for fur-bearing animals, and badly needed nesting and feeding areas for migrating waterfowl.

The service payments program will encourage positive programs of wildlife management on retired cropland and make several million acres available for public use. This management and use would be administered in cooperation with our State fish and game agencies, giving them an opportunity to apply their know-how to this aspect of the farm program.

In administering this provision, the Secretary will use these State agencies as his technical arm to work with farmers in adopting wildlife practices, designating desirable areas in which the additional payment should be offered, evaluating the worth of the land for wildlife use, and formulating rules governing the use of the land. Where necessary, these agencies will assist the Secretary in determining compliance.

The service payments program is not mandatory in any respect. A producer who did not want to open his land to public access under this provision would not be precluded from participating in the program, applying wildlife uses to the land, and permitting limited public access on a fee basis. In such cases, of course, he would not be entitled to the wildlife service payment. I think this is a creative opportunity to expand our

wildlife habitat and recreation opportunities at the same time.

THE AMERICAN DREAM

Mr. PEARSON. Mr. President, Kansas is perhaps the only place on the face of the earth in which it was said that a newspaper was started before there was any news to print. Henry King, an early Kansas journalist of some reknown and a lover of colorful exaggeration, made this statement in 1906. His reference was to the Kansas Weekly Herald whose first issue was published at Leavenworth on September 15, 1854.

It has been said, too, that Kansas has more newspapers per capita than any other State. Among these newspapers are the one- or two-man or family operated newspaper which still exist in Kansas performing a significant function even in this fast-moving world.

One of the finest small newspapers in the State of Kansas is the Washington County News of Washington, Kans. And one of the finest publishers and editors in Kansas is my friend, Tom Buchanan.

Recently an editorial appeared in this newspaper called "The American Dream" which comments upon the philosophies now prevalent in the minds of many of our citizens as engendered by the so-called Great Society. Within this editorial there is room for thought but there is more; there is hope in the fulfillment of the American dream and in the American people.

Mr. President, I ask unanimous consent that this editorial be inserted in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AMERICAN DREAM

"The great American dream." Millions of people left home and family to cross the ocean in search of it. Millions moved again from the coast to the Great Plains enduring hardships so severe we can only dimly imagine them—all in search of the "great American dream."

So the years have passed—only about 300 of them all told. And the dream has changed to a nightmare.

The lush prairies have been plowed under to make farmland that can't be planted. Forested hillsides have been ravished so that the rains rush down them in torrents filling streams with mud.

In the valleys huge cities sprawl in confusion, choked with traffic, bathed in acrid smoke. In the suburbs, ugly, treeless subdivisions mar the country landscape.

That freedom of religion so many sought has become freedom from religion. The farmer and the laborer and the businessman is controlled and taxed as European despots did in times gone by.

The automobile is a wonderful thing—until it is piled in a junk heap along the roadside.

Every man's dream of becoming his own boss is changed these days. In the Great Society every man dreams of getting a Government check each month—and most every man does.

Our patriot forefathers rioted in Boston harbor over a tax on tea. Their grandsons and great grandsons have dreamed up taxes that make the tea tax look like a tea party.

Is the "Great American Dream" lost forever?

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: Senate debated farm bill. Senate committee reported foreign aid appropriation bill. Sens. Young, N. D. and Burdick criticized restrictions on wheat shipments to Russia. House adopted resolution for consideration of Federal pay bill.

SENATE

1. FARM PROGRAM. Continued debate on H. R. 9811, the farm bill. pp. 22621, 22645-89, 22690, 22691-7, 22705

Agreed to the following amendments:

By Sen. Bass, 46 to 45 (with the Vice President voting yea to break a tie vote), to strike out Sec. 706 of the bill which would have provided that whenever the application of any law requires determinations to be made of the amounts of labor needed for the production and harvesting of any agricultural crop, such determinations shall be made by the Secretary of Agriculture (pp. 22645-71). By a vote of 45 to 44, tabled a motion by Rep. Bass to reconsider the vote by which the amendment

was agreed to (p. 22671).

By Sen. Proxmire, 57 to 27, to include dairy provisions in the bill similar to those in the bill as passed by the House which would assign to each producer in a milk order area a fluid milk base in lieu of a blended price on total production used for fluid consumption and for manufacturing into butter, cheese, powdered milk, and other milk products. pp. 22671-89

Rejected three amendments by Sen. Miller to the Proxmire dairy amendment to eliminate language respecting transfer of allocations of producers, to eliminate language respecting a regulated handler's own production of milk, and to add language respecting proportion of highest use classification sales of milk for area covered by marketing order of the total producer deliveries of milk in such area. pp. 22683-8

Pending/^{at}adjournment was an amendment by Sen. Brewster to provide that no producer shall be eligible for price-support loans under any USDA program in excess of \$10,000 for any one year. p. 22691

2. FOREIGN AID APPROPRIATION BILL. The Appropriations Committee reported with amendments this bill, H. R. 10871 (S. Rept. 708). p. 22703
 3. WHEAT. Sens. Young, N. D., and Burdick criticized the 50-50 shipping restrictions on wheat sold to Russia and Communist-bloc countries and inserted several items in support of their position. pp. 22710, 22725-6
 4. FOOD PRICES. Sen. Miller defended the farmer against allegations that he "is to blame for the rise in food prices," and inserted several items in support of his position. pp. 22641-5
 5. FOREIGN TRADE. Sen. Dodd stated that "there is a growing realization among the major trading countries of the world that non-tariff obstacles to the free exchanges of goods and capital are as every bit restrictive as tariffs," and inserted two articles reviewing such obstacles to foreign trade. pp. 22727-9
 6. JOB CORPS. Sen. Neuberger expressed concern that "people who join the Job Corps will be stereotyped in the public mind," and inserted an item, "Job Corps Image Nonexistent." p. 22732
 7. PERSONNEL. Sen. Sparkman urged that Congress "begin considering future, more comprehensive legislation" to provide cost of living increases for retired Federal employees. p. 22734
- HOUSE
8. TARIFF. Received the conference reports on H. R. 5768, to provide that a study be made of the feasibility of separate classifications in the Tariff Schedules for yarns of man-made fibers commonly referred to as textured or texturized yarns, and for a report to Congress by Feb. 1, 1966 (H. Rept. 978)(P. 22765); and H. R. 7969, to correct certain errors in the U. S. Tariff Schedules (H. Rept. 979)(pp. 22765-70).
 9. NATIONAL PARKS. The Interior and Insular Affairs Committee reported without amendment H. R. 9417, to revise the boundary of Jewel Cave National Monument, S. Dak. (H. Rept. 981). p. 22771
 10. EMPLOYMENT. Adopted a resolution for the consideration of H. R. 10065, to more effectively prohibit discrimination in employment because of race, color

Jewelry and gems are another favorite investment among Europeans.

Trouble with these items is that you can make mistakes. Paintings can fall out of favor. Tastes change among art collectors. And money put into jewelry and gems earns no return for the owner while he is waiting to sell at a profit.

Pensioners

People living on a pension or fixed income from an annuity usually find themselves losing ground as prices go up. That's why inflation is called the "worst enemy" of widows, orphans, and old people.

Social security pensions, just increased by 7 percent, about offset the rise in the cost of living since the last time pensions were raised in 1959. Difficulty for pensioners comes in the lag between the time that prices go up and the time pensions are raised.

People receiving pensions from private companies, in most cases, are worse off. Unlike social security, higher pensions granted to workers by most companies are not paid to persons already on the retired rolls.

Creditors

People who lend out money, generally speaking, are pinched by price inflation. Dollars loaned out come back in diluted form in terms of what they will buy in the marketplace. Interest charged on the loan helps to offset inflation's inroads, but lenders then find that "real" earnings on their money are less than they counted on.

Borrowers

People who use borrowed money tend to come out ahead in a period of rising prices. Inflation tends to lighten the burden of debts. These debts can be paid off in dollars of declining value.

Debt, thus, can take on new attraction in an era of inflation. Debt of people already is the highest in history, a fact that is worrying some economists. Charges to carry that debt are taking a growing part of people's incomes.

Now, as creeping inflation takes on added speed, economists feel that debt will grow in appeal. As one economist put it: "Whenever prices start moving up on a broad front, there is the danger that the thrifty will become spendthrifts—and do it more and more on the cuff."

That gives you an idea of what a shrinking dollar, in terms of purchasing power of that dollar, can mean in people's daily lives.

NO GUARANTEE

It's important to remember that there is no guarantee of perpetual inflation.

In terms of wholesale prices, for example, these prices held about unchanged for a remarkable period of about 6 years, until they started moving up a year ago.

An unexpected showing in business could change the outlook for inflation. Peace in Vietnam, if it should come, might bring cutbacks in arms spending, tip budget totals for defense downward instead of the other way.

Still, as the economists see it, chances are that prices will continue to creep upward as they have for years past.

That's been the trend for more than 30 years. Economists see no end to it so long as Government strives to insure perpetual prosperity without ever permitting the economy to slow a bit.

Records indicate that no one can count on coming out unscathed from the effects of a dwindling dollar. But those same records also indicate that the workingman—and the careful investor in stocks, a business, or real estate—stands a good chance of coming out ahead.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time for the quorum call not be allocated to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is amendment No. 435, offered by the Senator from Tennessee [Mr. BASS] to H.R. 9811.

Mr. MANSFIELD. Mr. President, will the Senator from Tennessee yield, without losing his right to the floor?

Mr. BASS. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, the time for the quorum call to be charged equally to both sides on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BASS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BASS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. BASS. Under what type of consent agreement is the Senate now operating?

The PRESIDING OFFICER. Under the agreement in effect, 1 hour is allocated to each side of the pending amendment. One hour is under the control of the Senator from Tennessee, and 1 hour is under the control of the Senator from Louisiana [Mr. ELLENDER].

Mr. BASS. Do I correctly understand that my amendment has been called up but that no time has as yet been consumed on the amendment?

The PRESIDING OFFICER. The Senator is correct. His amendment is the pending question.

Mr. BASS. Mr. President, after a somewhat uneasy reentry but successful

splashdown, I am happy to be back to call up my amendment today. I appreciate the courtesy of the majority leader in having it made the pending question and for being so patient as to await my return on my delayed trip back from Tennessee.

The effect of the amendment would be to strike section 703 from the pending bill. I interpolate to state that since the original section was placed in the bill, the distinguished senior Senator from Florida [Mr. HOLLAND] has amended that section. I quote the section as amended:

Notwithstanding any other provision of law, whenever the application of any law of the United States requires determinations to be made of the amount of labor needed for the production and harvesting of any agricultural crop, or of the availability thereof for such production and harvesting, such determinations shall be made by the Secretary of Agriculture and shall be accepted by all agencies of the United States in the carrying out of activities in which such determinations are needed.

This is the section of the bill to which I shall now address myself.

Mr. President, I wish to make it plain that I realize there are some problems existing in the area of farm labor relating to the dual responsibility in certain areas. However, I think these problems should be settled by other legislation or by the courts. I definitely do not think that this major bill, the Food and Agriculture Act, is the proper vehicle on which to tie this trailer. For this reason, I oppose this provision and shall point out some of the confusion which will result if it is retained. I shall also attempt to show why this section should be given much more study and consideration before it is enacted.

This provision was not proposed by the administration. It was not contained in the House bill. It was not contained in any version of the Senate bill considered by the committee, but was offered in the closing hour of the committee's consideration of the bill, and was considered very briefly. The subject matter this provision deals with is highly controversial, the effects are enormous, and the basis for such a proposal is in great dispute. Yet the amendment was treated in committee as a minor appendage to a major bill and was placed as the last section in the miscellaneous title of the bill.

The committee report devotes some 73 pages to discussing the various programs in the bill. Yet, only one small paragraph on page 73 is devoted to this very far-reaching provision and its effects. With respect to this paragraph, I might point out that while its primary import is in what it fails to say rather than in what it says, it is erroneous in the information which it gives.

The report states:

This provision will have the effect of eliminating the confusion which now exists in connection with determinations concerning the admissibility of supplemental agricultural workers under the Immigration and

Nationality Act. In considering the question of the admissibility of supplemental workers the Attorney General needs to know what the requirements of agriculture are and whether there are available sufficient domestic workers capable of meeting these requirements. At present he relies upon advisory information only, obtained from governmental agencies which have neither statutory responsibility or the qualifications of the Department of Agriculture to obtain, evaluate, and supply such information. This section will correct this by placing the responsibility for such information in the agency of Government which has the facilities and expertise to make such determinations.

I submit that far from eliminating the confusion, if such does presently exist concerning admitting supplemental agricultural workers into this country, this provision will create such confusion that it may be necessary to go back to the old, illegal days of the so-called wetbacks in order to provide any supplemental foreign farm labor at all. It is true that the Attorney General needs to know the requirements of agriculture, and whether there are available domestic workers capable of meeting these requirements. The practice at the present time is for the Secretary of Labor and the Secretary of Agriculture, or their appointed agents, to confer on his matter and reach a consensus concerning the number of workers required to harvest a given crop. In this respect, the Department of Agriculture has information facilities and expertise exclusive of other agencies such as the Department of Labor. However, when it comes to the point of determining whether there are sufficient domestic workers capable of meeting the requirements necessary to harvest a particular crop, the Department of Agriculture has no facilities, expertise, or basis of information from which to determine these conclusions.

The report states that the Secretary of Agriculture has the facilities and expertise to make such determinations. I challenge this statement and raise the question as to what facilities or expertise the Secretary of Agriculture has for determining the availability of U.S. workers. What facilities and expertise does the Secretary of Agriculture have for determining the wages to be paid to the U.S. workers who are available? These determinations have been reached in the past after reviewing all of the information put together by the U.S. Employment Service working together with the various State employment services, the Bureau of Labor Statistics, and other parts of the U.S. Department of Labor. Are we to remove these agencies from the Labor Department and place them in the Department of Agriculture, or are we to establish new agencies to make these determinations in the Department of Agriculture even though we have agencies established for this purpose at the present time in the Department of Labor?

Mr. President, should this amendment, as contained in the pending bill, be made a part of the basic law of the immigrant labor legislation, it is apparent, without any doubt, that it would become absolutely necessary for the Department of Agriculture to establish a separate division in order to comply with the making of determinations under this act.

It is indeed surprising to find some of the people who are critical of Government spending now are alined on the side of needless duplication, inefficiency, and confusion which would result from this amendment—an amendment which would entail the spending of untold dollars to provide for this entirely new duplicative section of Government which this amendment would be required to create.

At least as surprising is finding people alined in support of this provision who in the past have stood as the staunchest defenders for proper, senatorial procedure and for respect for the committee system. This amendment serves not only to abrogate both principles, but indeed to relegate these principles to oblivion. For instance, assuming that it was a proper matter for the Agriculture Committee to consider and a proper matter to be placed in this bill, it should be noted that no hearings whatsoever were conducted on this measure even though its effects and ramifications are far reaching. It is true that back in January of this year the Agriculture Committee conducted 2 days of hearings concerning the lapse of the bracero program and the problems which this presented. However, at the conclusion of these hearings the chairman of the committee stated on the floor of this body that the purpose of the hearings was merely to advise the committee and the Senate of the effects of the termination of the bracero program.

Mr. President, during 8 years of my service in the House of Representatives, while on the House Committee on Agriculture, I made a rather extensive study of this particular problem dealing with the immigrant labor situation, and particularly the problem of the wetbacks and braceros who came into the country illegally, and under the old act.

After a rather long period of study, having voted for the program during the first 6 years of my service in Congress, I discovered that the program was doing irreparable damage with reference to human element involved, as well as failing to provide the proper labor, wages, and protection for the personnel involved.

The chairman concluded that the views presented were very conflicting in nature. No hearings were held; no study was made on this provision. Even so at the time it was presented to the committee, though the committee had been considering the bill for a period of almost 2 weeks, this particular section was given only cursory attention and was discussed for less than 10 minutes.

Mr. President, with due deference to the author of the provision, he stated earlier in the proceedings before the committee that he would offer his provision before final bill was marked up. We did have some notice, although a very short period of time. The author of the amendment advised the committee that he would offer the amendment before the hearings were concluded.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. BASS. I yield.

Mr. HOLLAND. Mr. President, I am glad that the Senator made that last

statement. It is true, is it not, that 2 days before the time of the offering of the amendment, the Senator from Florida advised the committee that he intended to offer an amendment to give the Secretary of Agriculture power to fix the number and availability of the workers in the various agricultural industries, with particular reference to those industries which produce perishable crops?

Mr. BASS. I do not remember whether it was 2 days, 3, or 4.

Mr. HOLLAND. It was several days.

Mr. BASS. The Senator is correct. I want it to be clearly understood that the Senator from Florida did give notice to the committee that he intended to call this provision up.

Mr. HOLLAND. Does the amendment offered by the Senator from Florida differ in any way from the notice given by the Senator from Florida at the time he called this matter to the attention of the committee?

Mr. BASS. So far as the Senator from Tennessee knows, I have no information to the contrary.

Mr. HOLLAND. Mr. President, I am happy to hear that. The Senator from Florida tried to give appropriate information, well ahead of time, that he expected to take this step. The Senator from Florida went further and also said, as I am sure the Senator will remember, that the courts have held that the Department of Labor was in this field solely in an advisory capacity and was not answerable in the courts to growers who were aggrieved. The Senator remembers my making that statement.

Mr. BASS. The Senator is correct. I wished to make it clear in my remarks that there was no indication of anything that would reflect on the way in which the amendment was brought up by the Senator from Florida.

We did not have any extensive hearings on the ramifications and the effect of the amendment. In my opinion, we did not have sufficient time in which to make a thorough study of the amendment and to obtain the advice of the officials in the departments affected.

Mr. HOLLAND. I thank the Senator.

Mr. BASS. Mr. President, this provision would affect very crucial matters within the jurisdiction of the Judiciary and the Labor and Public Welfare Committees. At least it would therefore appear to be a travesty of the whole committee system to allow such perfunctory examination by only one of the committees involved.

To cite a very good example, it might be noted that on September 7 the Senate passed a supplemental appropriation bill containing \$1,723,000 for the U.S. Department of Labor. This is to be used for expenses necessary for the performance of the functions of the Secretary of Labor as he deems necessary to insure in connection with admission of nonimmigrant aliens under the Immigration and Nationality Act for employment in agriculture. This bill also insures that maximum efforts are made to recruit and retrain agricultural workers for available job opportunities, that these domestic workers be given preference and employment over alien workers, and that the employment of alien workers does not in

any manner adversely affect the wages and working conditions of native workers.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. BASS. I yield.

Mr. HOLLAND. Mr. President, I am sure the Senator knows that the Senator from Florida worked on the committee which marked up the supplemental appropriations bill to which he referred.

Mr. BASS. The Senator is correct.

Mr. HOLLAND. And the earlier annual appropriations bill which covered the same subject matter.

Mr. BASS. The Senator is correct.

Mr. HOLLAND. I wonder if the Senator knows that, in both of those mark-ups, the Senator from Florida insisted that the Secretary of Labor be given adequate funds with which to enlarge his recruitment program.

Mr. BASS. And to make a study of the entire subject.

Mr. HOLLAND. No. The recruitment program is the program for which funds were requested. That is what the Secretary was given the funds for, and Senator from Florida in no sense wants to affect his right, duty, and obligation to do that work. It should be done much better than it has been done.

The Secretary will have a slight increase in two additional amounts of money for that purpose. However, that matter does not at all affect the purview of the pending amendment which the Senator seeks now to strike.

Mr. BASS. Mr. President, I thoroughly agree that it would be effective. If this amendment were adopted, the Secretary of Labor would be taken out of consideration in this very important problem; and the recruitment problem, in my opinion, and on the advice of the Senator from Florida, would be left in the hands of the Secretary of Labor.

Mr. HOLLAND. Mr. President, I am glad that the Senator has raised that question, because apparently he has gained a completely erroneous idea of the amendment.

The amendment makes it very clear that what the Secretary of Labor should not do is to determine what the labor needs are and the available labor at any time during the course of the picking or handling or harvesting of crops. By no means does the amendment attempt to amend or destroy existing legislation, or to cut off appropriations which the Senator from Florida is trying to provide to assist the Secretary of Labor to accentuate and enlarge his recruitment efforts which, up to now, have been hopelessly ineffective in obtaining labor for the various industries which produce perishable commodities, from one ocean to the other.

The Senator from Florida wants the recruitment to be stepped up, and he wants no other functions of the Secretary of Labor to be impaired. However, the Senator from Florida does not want the growers to be left without the assistance of some agency that has knowledge of the facts and that has authority to determine something that is certain and definite in the matter of the number of laborers needed in the fields. As the Senator knows, such decisions are made

by the Secretary of Agriculture. The Senator knows, of course, that the decisions are changed from time to time as the crops are being harvested.

No one has a clearer picture of the problem than the Secretary of Agriculture, because he is required by law to make the estimates, to issue the market news reports, and to maintain the contact men in the field.

All he desires is to have something certain upon which the producers of perishable crops can rely; and that something certain is wholly wanting under the present system.

I thank the Senator for yielding.

Mr. BASS. If the Senator will allow me to proceed, I desire to extend every courtesy, but since we are working under a time limitation, I hope other Senators will be as generous with their time so that we may have full debate on both sides.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. BASS. I am happy to yield briefly to the Senator from California.

Mr. MURPHY. Does the Senator realize that as to the setting of wages, there is a question as to whether or not that is a proper function of the Secretary of Labor?

I should like to report that in California, the wages which are paid for farm labor, both supplemental and regular, were the highest in the country, and yet the Secretary of Labor arbitrarily raised the wage rate from \$1.35 an hour to \$1.40.

Mr. BASS. I remember that; and I remember his testimony before the committee, and could quote it verbatim. But I shall merely state now for the RECORD, that the standard of living and the costs of living in the areas involved were taken into consideration.

To continue with my statement, this language clearly contemplates the placing of the responsibility for determining the availability of domestic agricultural workers on the Secretary of Labor. Mr. President, this legislation passed this body on September 7 of this week and yet this amendment on which I am now speaking would completely undermine this act. It would extract from the Secretary of Labor the function of making the determination of availability which goes to the heart of this problem and for which the Senate appropriated almost \$2 million. This amount was to assure that the Secretary of Labor dealt with this problem in accord with the wishes of the Senate as expressed in the provisions passed by this body. Obviously, this is a matter which is within the purview of the Labor and Public Welfare Committee and the Appropriation Committee. Since we have just finished appropriating almost \$2 million to the Secretary of Labor to carry out these functions, it would be a travesty, not to mention the mistake involved, at this point to shift all these functions to the Secretary of Agriculture who has neither the facilities, manpower, information or expertise to make these decisions and carry them.

This provision would also usurp the functions of the Senate Judiciary Com-

mittee. Surely no Member of this body can question the fact that matters dealing with immigration and with the Immigration and Nationality Act are properly within the purview of the Judiciary Committee. This week we anticipated having before us the Immigration and Nationality Act revisions submitted by the Senate Judiciary Committee. These were previously considered by the Judiciary Committee of the House and passed by that body. Yet this provision, if enacted, even though never considered by the Judiciary Committee, would alter section 212(a) (14) and section 214 of the Immigration and Nationality Act as presently constituted. The former section and the regulations of the Immigration and Naturalization Service promulgated pursuant to section 214 are designed to insure the admission of aliens into the United States for employment in a manner which will not create unfair competition between such aliens or between our own workers for available job opportunities. It also insures that the wages and working conditions of the domestic workers will not be adversely affected. The Attorney General has requested the Secretary of Labor under this act to supply him with the pertinent information upon which to base these determinations. This was done in recognition of the very special sources of information and facilities existing in, or available to, the Department of Labor which are unique within our Federal Government system.

When the Immigration and Nationality Act revisions were recently considered by the House of Representatives—the bill we expected to consider sometime this week—the House saw fit to tighten the safeguards provided through section 212(a) (14). In doing so, they provided that an affirmative certification of non-availability of domestic workers, stating there would be no adverse effects, would be furnished by the Secretary of Labor before any immigrants could be admitted for employment in the United States. The revised version of this section as passed by the House was given very careful and lengthy consideration by the House Judiciary Committee before it was reported to the House. Section 706 presents a direct conflict with the action of the House in a matter which is basically within the jurisdiction of the House and Senate Judiciary Committees.

The present proposal, however, would significantly modify the recent House action when it would affect the admission of immigrant aliens for agricultural employment. The determination required by the section discussed would, in such cases, be made by the Secretary of Agriculture instead of the Secretary of Labor. It apparently, however, leaves untouched the authority of the Secretary of Labor to make certification dealing with the adverse effects cited by this section. Thus, with respect to a single admission, two separate certifications, inextricably interrelated, would be required of two different Government agencies. The resulting confusion can only create further complications of the administration of the Immigration and Nationality Act, a law already over-

burdened with such complications and confusion.

Another aspect of this procedural snafu needs to be discussed at this point. The Appropriations Committee in reporting the Agricultural Appropriations Act of 1966 requested a comprehensive study of the entire agricultural-labor situation to be made. In the report the Appropriations Committee stated that it "recognizes that such a study will require careful planning and extensive research." Yet now, without the benefit of the study or without any such careful planning or extensive research we are asked to accept a provision which materially alters all of the existing relationships between the governmental agencies involved in the program.

The Secretary of Labor has stated:

This section provides for a drastic realignment of responsibilities with respect to determinations affecting not only farm labor, but also the amounts of land, materials, and services needed for farm production and harvesting.

I state parenthetically that this statement was made by the Secretary of Labor before the Senator from Florida amended his section striking out the other parts.

The reorganization proposed by this section of the reported bill would involve substantial shifts in functions and programs now performed by the Departments of Justice, Interior, Agriculture, and Labor under a variety of statutes, including the Wagner-Peyser Act and the Immigration and Nationality Act. Of special significance to the Department of Labor is the effect the proposal would have on the Department's responsibilities under various sections of the Immigration and Nationality Act involving determinations of availability of domestic workers in connection with the admission of both immigrant and nonimmigrant aliens. For example, section 706 is in sharp conflict with certain revisions of section 212(a)(14) proposed by the Immigration and Nationality bill recently ordered reported by the Senate Judiciary Committee. These latter provisions are also contained in the House-passed immigration and nationality bill, designed to tighten certain safeguards for American labor after a most thorough and careful consideration of all aspects of this issue.

I ask unanimous consent that the entire letter of the Secretary of Labor be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington.

Hon. ROSS BASS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BASS: I call to your attention section 706 of the omnibus farm bill (H.R. 9811).

This section provides for a drastic realignment of responsibilities with respect to determinations affecting not only farm labor, but also the amounts of land, materials and services needed for farm production and harvesting. The reorganization proposed by this section of the reported bill would involve substantial shifts in functions and programs now performed by the Departments of Justice, Interior, Agriculture and Labor under a variety of statutes, including the Wagner-Peyser Act and the Immigration and Nationality Act. Of special significance

to the Department of Labor is the effect the proposal would have on the Department's responsibilities under various sections of the Immigration and Nationality Act involving determinations of availability of domestic workers in connection with the admission of both immigrant and nonimmigrant aliens. For example, section 706 is in sharp conflict with certain revisions of section 212(a)(14) proposed by the Immigration and Nationality bill recently ordered reported by the Senate Judiciary Committee. These latter provisions are also contained in the House-passed Immigration and Nationality bill, designed to tighten certain safeguards for American labor after a most thorough and careful consideration of all aspects of this issue.

Under section 212(a)(14), responsibility for determining the availability of domestic workers in connection with the consideration of applications for immigrant visas is vested in the Secretary of Labor. This determination cannot be made in the abstract. It requires an intensive, sustained and nationwide effort to reach all sources of labor supply. The function of determining the availability of labor is inextricably interrelated with the recruitment functions presently carried out by the Department of Labor through a nationwide network of state employment offices reaching into every rural and urban area.

The proposal has similar implications with respect to section 214 of the Immigration and Nationality Act which deals with the admission of nonimmigrant aliens for temporary employment.

Additionally, it would create confusion for the program authorized by the Congress in the Department of Labor supplemental appropriations bill which provides funds and authority for the Secretary of Labor to assure that, in connection with the admission of nonimmigrant aliens under the Immigration and Nationality Act, domestic workers are given preference in employment. This bill was passed by the Senate on September 7, 1965.

Because of the general and ambiguous language it is not possible to ascertain at this time the full impact of this proposal. It is clear, however, that it cuts across the responsibility of the Departments of Justice, Agriculture, Interior, and Labor.

I am aware that this whole issue has been proposed for a study under the leadership of the Secretary of Agriculture. I would of course look forward to cooperating fully with such a study and the opportunity it would provide for a review of the present program.

I am in full accord with the views expressed that the adoption of this proposal would not serve the best interests of the various programs within the scope of the proposed reorganization.

Sincerely,

W. WILLARD WIRTZ,
Secretary of Labor.

At this time I should like also to quote from a letter from the Attorney General. The Attorney General stated:

The Department of Justice urges the deletion of this provision from the agriculture bill because it conflicts with the responsibilities of this Department in administering the immigration laws both as they now exist and, depending on the timing of enactment, as they would be amended by the pending immigration bill, H.R. 2580, which passed the House on August 25. The provision in question would supersede the present functions of the Attorney General, and of other Government agencies, such as the Department of Labor, with which this Department consults regarding the admission of temporary agriculture labor under section 214(c) of the Immigration and Nationality Act. As to aliens who are prospective immigrants and who contemplate agricultural employment,

the provision conflicts with section 212(a)(14) of that act and with several portions of the pending immigration bill. These include (a) section 3 of the immigration bill, containing an amended section 203(a)(6) of the Immigration and Nationality Act establishing preferences for needed lesser skills, (b) section 10 of the bill, containing an amended section 212(a)(14) of the act prescribing clearances by the Secretary of Labor which affect the admissibility of various classes of aliens, and (c) portions of the bill cited in section 10 thereof which chiefly affect so-called special and nonpreference immigrants. These are important parts of the bill.

I ask unanimous consent to have printed in the RECORD a verbatim copy of the Attorney General's letter. The Secretary of Agriculture is also opposed to this provision.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., September 9, 1965.

Hon. ROSS BASS,
U.S. Senate, Washington, D.C.

DEAR SENATOR BASS: This is in response to your request for my comments on section 706 of the agriculture bill, S. 1702, as reported by the Senate Agriculture Committee. This section would vest in the Secretary of Agriculture the power to make determinations binding on the rest of the Government as to the need for and availability of economic resources, including labor, for use in agricultural production.

The Department of Justice urges the deletion of this provision from the agriculture bill because it conflicts with the responsibilities of this Department in administering the immigration laws, both as they now exist and, depending on the timing of enactment, as they would be amended by the pending immigration bill, H.R. 2580, which passed the House on August 25. The provision in question would supersede the present functions of the Attorney General, and of other government agencies, such as the Department of Labor, with which this Department consults regarding the admission of temporary agricultural labor under section 214(c) of the Immigration and Nationality Act. As to aliens who are prospective immigrants and who contemplate agricultural employment, the provision conflicts with section 212(a)(14) of that act and with several portions of the pending immigration bill. These include (a) section 3 of the immigration bill, containing an amended section 203(a)(6) of the Immigration and Nationality Act establishing preferences for needed lesser skills, (b) section 10 of the bill, containing an amended section 212(a)(14) of the act prescribing clearances by the Secretary of Labor which affect the admissibility of various classes of aliens, and (c) portions of the bill cited in section 10 thereof which chiefly affect so-called special and nonpreference immigrants. These are important parts of the bill.

Apart from its impact on immigration, I am informed that section 706 of the agriculture bill is likely to have drastic and unpredictable effects on many other laws and programs. For instance, it might affect occupational deferments under Selective Service, assistance for education or manpower retraining pertaining to agriculture, and operations of the U.S. Employment Service. So far as resources for agriculture other than labor are concerned, the amendment might affect the regulation and production of electric power and other services, flood control and irrigation projects, the acquisition, leasing and disposal of public lands, financial assistance to agricultural and supporting enterprises, policies affecting chemical or other materials used in agriculture, or pro-

grams and regulations pertaining to transportation affecting agriculture. It is also possible that determinations under the amendment might supersede functions of the States pertaining to agriculture in ways not now contemplated. All of the foregoing could result in much administrative delay for numerous agencies, and in unnecessary litigation.

For the foregoing reasons, I urge the deletion of section 706 from the agriculture bill.

Sincerely,

NICHOLAS DEB. KATZENBACH,
Attorney General.

Mr. BASS. These agencies, Mr. President, are the agencies presently most intimately acquainted with the problems dealing with this subject. The Department of Agriculture has neither the facilities nor the expertise to handle this type problem, involving the determination that it does. The Justice Department's functions would be immeasurably complicated if this provision were enacted into law. Even if the Senate should give consideration to enacting such a provision into law, then the proper context in which to consider it would be in the amendments to the Immigration and Nationality Act, which are due to come before this body, as I stated previously, in the near future.

Mr. MURPHY. Mr. President, will the Senator from Tennessee yield at that point?

Mr. BASS. I shall be happy to yield in a moment, if the Senator will let me finish my statement first.

This provision, Mr. President, would be bad policy even if it were confined to the jurisdictions of the Secretaries of Labor and Agriculture. Are we to remove from the jurisdiction of a Cabinet officer certain areas and place these under the scrutiny of another Cabinet officer simply because the first office holder has displeased a given group within this country? Many people at the present time are displeased with the actions of the National Labor Relations Committee. Are we to remove from this Board jurisdiction over the area in controversy and place it under the jurisdiction of the Secretary of Commerce? Many people, including myself, are very much disappointed in the assertion of authority by the Civil Aeronautics Board and the manner in which it exercises its jurisdiction. However, Mr. President, I have yet to come, and will not come, before this body and advocate, simply because I am displeased with this or any other Government agency, that we remove all its jurisdiction and place it before another agency with the expectation that my views would be better presented and my ends better accomplished there. If such be the case, then surely to say the least, complete internal governmental chaos would be the result.

I, therefore, ask this body to join me in voting against, and rejecting, this provision of the present bill. I urge Senators to vote for my amendment which would strike this obnoxious language from the text of the bill.

Mr. President, in the omnibus agricultural bill, this subject matter does not apply to any degree. There is no section of the bill which speaks directly to the immigrant worker, or to the bracero

program. Over a period of years, during my experience in Congress, this program has been dealt with separately. It has been considered a separate issue.

I do not deny that there may be problems involved in determining the necessity and the application of the entire program of braceros or immigrant workers in the United States. But this is superfluous matter in a very important piece of farm legislation which I hope will go a long way at least, to solve temporarily some of the agricultural problems which exist in this Nation at this time.

Therefore, I hope that this material, which is extraneous, and which does not deal with the major provisions of the bill, will be stricken from the proposed legislation.

I hope that the proper committees of Congress will look at the problem, if there is a problem existing. If there is need for new legislation in the field, I hope that it can be settled as a choice piece of legislation which has been the case of the historical legislation in this field over many years.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 3 minutes.

Mr. ELLENDER. As the distinguished Senator from Tennessee has stated, the Committee on Agriculture and Forestry held hearings lasting 3 or 4 days during the early part of this year, in order to try to impress the Department of Labor, as well as the Department of Agriculture—in fact, the whole Nation—as to what was happening on the farms on which perishable crops had been planted in abundance, where the farmers were having a great deal of trouble obtaining sufficient labor to cope with the situation of gathering the crops.

Mr. President, I fathered the Bracero Act long ago. Personally, I would not mind having that same act on the statute books now, but it was apparent when the last renewal was presented that we had no opportunity to have the act extended, even though Congress had seen fit to relegate the operation of the bracero program to stoop labor.

Mr. President, the provision of the committee amendment is simple. All it seeks to do is to place the problem in the hands of the Department of Agriculture and let it determine the necessity for importing labor. It does not mean that the Department of Agriculture itself would, in any way, take over administration of the laws relating to immigration. The Secretary of Agriculture would make the findings as to the necessity for obtaining labor in order to save the crops.

The hearings we had during the early part of this year showed that many farmers were not planting what they usually plant by way of perishable crops, because of the fact that they had no way to tell whether they would be able to obtain sufficient labor to gather the crops.

As a result, I am informed—and I am sure that my good friend the Senator from California [Mr. MURPHY]—

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1 additional minute.

Mr. ELLENDER. I am sure that the Senator from California will be able to give a specific example of farmers who grew less. Some even moved to Mexico to grow crops which they could have easily grown in California or other parts of the Southwestern United States.

Mr. President, I do not believe that provision contained in the committee amendment would do any harm. It would place authority in the proper place where an informed determination can be made. If a good showing can be made that the labor is needed, the laws now on the statute books can then be put into effect to provide the needed labor. That is what the laws have been put on the books to accomplish.

I yield 30 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 30 minutes.

Mr. HOLLAND. Mr. President, before I begin my prepared remarks on the subject, let me say to my distinguished friend from Tennessee that he has apparently overlooked the important jurisdiction of the Department of Agriculture. Periodically, several times a year, the Department gathers information on the work force. It publishes reports, almost as big as books, on work force statistics. I have in my hand report No. 76, which is entitled "The Hired Farm Working Force of 1963, With Supplementary Data for 1962."

This is only one of numerous publications in the field. So the Department of Agriculture does keep up with the labor supply. It does have the expertise. It does have information in that field. It is by reason of the trouble to which the Secretary of Labor has led, not only in this matter but others, that we think the Department of Agriculture has to be given the authority to prescribe how much labor is needed, at any particular time during the season, and have the responsibility of issuing reports, both ahead of time and during the season, as to what crops are to be expected, what the conditions are, and the like. It can obtain that information from sources and information available to it. So there is no particular problem in that connection.

Only this morning I conferred with the Secretary of Agriculture. He tells me there is no doubt about their having the information, records, expertise, and personnel in the field to acquire the information. There is no difficulty in determining what force is needed and what can be used. The Department has in the field county agents and their staffs. The Department has the ASC committees. It has the crop reporting service. It has the crop insurance division and various other divisions on the job checking on

these matters. It can do all that work.

Mr. BASS. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield in a moment. I am impressed by the fact that the Senator from Tennessee does not have a letter from the Secretary of Agriculture. He personally stated to me this morning that the Department has sufficient machinery to obtain the facts. As a matter of fact, the Department does so, as shown in the exhibit to which I have just referred.

Now I am glad to yield to the Senator from Tennessee.

Mr. BASS. First of all, I am advised by the Secretary of Agriculture's assistant that he opposes this section of the bill. I do not personally have a letter from him, but we might attempt to get one if we have time. Of course, the Secretary of Agriculture has the expertise and the facilities to determine how much agricultural labor is available in an area and how much is needed in the production of the crops. But my friend from Florida knows that we are not talking about agricultural labor, because if this work could be done with agricultural labor, there would be no controversy.

What we are talking about is part-time employees that have to be recruited from the nonagricultural labor force in the Nation at a given time. In order to recruit these workers, somebody has to know about the availability and the wage scales involved in paying the bill. The Secretary of Agriculture, in all the reports he may have issued, has never had such information. He does not have the information and he cannot know about the nonagricultural labor force which must be known if domestic nonimmigrant workers are to be given the opportunity of doing the work.

Mr. HOLLAND. I say to the Senator from Tennessee that, insofar as wages are concerned, we do not attempt to confer any authority at all on the Secretary of Agriculture. We have never conferred it on the Secretary of Labor. One source of the trouble that has concerned some of us is that he has assumed unto himself authority which has been withheld by Congress. Every time a labor bill has been considered in the 19 years I have been a Member of the Senate, and I am sure before that, there have been attempts to have agricultural wages included in a wage and hour bill. Every time that has been attempted while I have been a Member of the Senate, the Senate has voted such a provision down. The House has voted such a provision down. That authority has never been given by Congress. Yet the Secretary of Labor has blithely assumed this authority. Because of his advisory capacity, we cannot reach him through the courts, about which I shall have something to say later. He has set a minimum labor charge in various States which exceeds the minimum labor wage for industry which has been prescribed by act of Congress. Notwithstanding that Congress has refused to prescribe that authority for the Secretary, he has prescribed a larger labor charge as a condition to giving certification for let-

ting workers come in from Canada, the British West Indies, or Mexico.

The fact of the matter is that wages have nothing to do with our amendment, nor does it have to do with the matter of cutting down the power of the Secretary of Labor to carry on a recruitment program.

We tried to provide additional sums this year to enable him to do a better job in the field, but after he has done all he can do by his efforts in the recruitment of labor for the industry, we want the Secretary of Agriculture to be able to say, "This is how much is available against such a need," and to say it in such a way that it can be relied on in the courts and by the Attorney General, through the Commissioner of Immigration, and that it will give some dependable information and relief to the industry which has been so badly hurt by the intrasigence of the present Secretary of Labor.

We did not have this trouble under Secretary Goldberg. He was a reasonable man. He used commonsense in this field. I am sorry we have not had a demonstration of it by the present Secretary. We did not have such a situation under the late Secretary Mitchell. We had no trouble there. It is only since we have had this idealistic, evangelistic Secretary of Labor, who thinks he has authority to set wages—

Mr. BASS. Now, now—

Mr. HOLLAND. And who thinks he has authority to do other things which we regret, and who says he is not bound in court by these decisions and cannot be held accountable for them—it is only since we have had such a Secretary of Labor that we have had these troubles.

Mr. BASS. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall yield in a moment.

We are not trying to deal with the problem fully, but in one field only, in which we can deal with it effectively, and that is to give the Secretary of Agriculture authority to say, "So many workers are needed to handle this particular vegetable or fruit crop because our estimates are that so much will be needed this year."

To say we need more and that we do not have that large a number, the Secretary of Labor has not been able to produce them. We do not have available the labor force which we are seeking. We believe the Secretary of Agriculture is peculiarly and uniquely qualified to make that determination, and it is for that reason that we would impose this duty upon him.

Mr. BASS. To say that this problem has come about since the present Secretary of Labor has been in office is certainly snatching in air because, as the Senator well knows, this problem has existed for many years.

The problem, perhaps, has been magnified because Congress determined that the bracero program was bad and voted it out of existence. The Secretary of Labor then tried, as best as he could, to help the people who needed some assistance.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. BASS. I have heard them come before my committee, both in the House and in the Senate, during my terms since I first came to Congress as a young lad, knowing that this problem existed. It has been magnified.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Florida has the floor.

Mr. HOLLAND. I am thoroughly familiar with the matters which the Senator mentioned. I served with the committee which drafted the bracero act. It did not come from the Committee on the Judiciary. It came from the Committee on Agriculture and Forestry. I am familiar with the inception of this program. Mexico said it would not tolerate that kind of condition and asked for consultation which would be incorporated in the new bill, which was done. I am familiar with every step of the controversy.

I represent one of the two States most affected by the present arbitrary actions of the Secretary of Labor.

We produce more perishable crops—not as many as the Golden State, but we produce a billion dollars of produce a year. I know how badly we have been hurt this year and I am trying to take steps under which relief can be had. I am glad the distinguished Senator was fair, as he always is. I announced to the committee that I expected to offer this amendment, and the reason I did. I did it so there can be no question of surprise.

Mr. BASS. Mr. President, will the Senator yield for one more statement?

Mr. HOLLAND. I yield.

Mr. BASS. I want it understood that the Senate is not saying there is not a shortage of labor in certain areas in the State of Florida or the State of Tennessee.

Mr. HOLLAND. What is the Senate doing to correct that?

Mr. BASS. The Senator from Tennessee believes there is adequate labor in the United States if the recruitment program is properly administered, for domestic labor, instead of taking people who want to come across the border.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. BASS. I wish to make one more statement.

Mr. MURPHY. Mr. President, I would like to have the floor, please. I have asked several times.

There is confusion here that I would like to straighten out.

Mr. HOLLAND. I yield to the Senator from California, after the Senator from Tennessee, has exhausted his remarks.

Mr. BASS. I wish to make one statement. When I voted against the bracero program in the House of Representatives I said that one of the great fallacies and one of the things which should be worked out in the program, was that no immigrant labor should be brought into the United States to produce crops that were in surplus in which we had acreage quotas. The small farmers in Tennessee want the privilege of raising

crops, the labor is available, and they have the members of immediate families working on the farm. That is the reason why the Senator from Tennessee says the labor problems can be well taken care of and should be in the hands of the Department of Labor because we have not had the proper treatment.

We could not justify any vote in the Congress by saying we allowed immigrant workers to come in. Farmers in Tennessee have families to feed and want to produce crops.

This Senator will never vote that way.

Mr. HOLLAND. With respect to that, when we get further along we can pool time. I have been assured by the majority leader that we can have time on the bill. The Senator has been gracious in yielding to me. I do not want to have time problems when we are through. I am glad that the distinguished Senator from California made his gallant fight to keep in business thousands of people who are producing perishable commodities in his State. Some have already been run out of business by the treatment they have had from the present Secretary of Labor.

Mr. MURPHY. I thank the Senator from Florida. I would like to address the Senator from Tennessee. When I came to the Senate I found great confusion about this matter.

The Senator from Tennessee made a wonderful case, as have other Senators, with regard to handling the problem. He suggests that perhaps because the Government arrangements are too complicated and that we have to leave it alone while farmers in my State go out of business. I do not believe he meant to say that. He mentioned wetbacks.

I shall submit in my formal statement, which I shall make later, evidence that the wetback problem is back with us again because the operation has not been properly handled.

The Senator talks in terms of surplus crops giving the impression that these are crops supported by Government subsidy.

I am not speaking of Government-supported crops. I am speaking of crops grown by the small farmer in cooperatives, that have done to so successively. It is the largest industry in my State. They are about to be completely ruined. Farms which have been operating successfully for 35 to 50 years are going broke because the Secretary of Labor has taken an arbitrary position. He is not listening to reason.

Much has been said about machinery that was necessary to obtain information. I suggest that the machinery exists.

There was State and Federal machinery. What did the Secretary of Labor do? He appointed three college professors as experts to advise him on the number of bracero workers that were needed. They come in, pick and harvest, and never amount to more than 10 percent of the work force. Without them the Nation's work force will suffer. The Teamsters are suffering now. Other unions will suffer. This is the reason I may become a little emotional. I have lived with this problem for 2 years.

If the Senator from Tennessee will forgive me, I, too, have known about the problem for 20 years. The Secretary has taken the word of three professors about the number of workers needed on farms and arbitrarily cut it in half. The Secretary of Labor is a busy man, with dock strikes and steel strikes, and he has had too many problems to take care of this one.

The crops of our Nation must be picked when ready. That is why I join the Senator from Florida. I hope this can be transferred to the Secretary of Agriculture. I hope we can devise a good working program to get them by next year.

Mr. HOLLAND. I thank the Senator. I will now proceed on my prepared remarks.

Mr. President, in strongly opposing the pending motion of the Senator from Tennessee to strike section 706 of the pending farm bill I would like to discuss, in some detail, the meaning and objectives of said section 706.

On several occasions during the past 9 months, joined by many other Senators, I have called the attention of the Senate to the very serious farm labor problem facing major parts of American agriculture. The problem has, of course, arisen from the fact that many farmers producing perishable crops have been unable to obtain needed workers to meet their requirements.

Section 706 of the pending bill should go a long way toward remedying what has been a chaotic situation. It is designed to give specific responsibility to the Secretary of Agriculture for finding facts and making certain determinations regarding the need for and availability of workers at the time and place they are needed to produce and harvest the Nation's crops.

This is essential because there have been too many instances this year where workers alleged to have been available by the Department of Labor have been either nonexistent, or were unable, or unwilling to do the jobs for which they were hired. This has resulted in substantial costs and losses to many farmers. Large sums have been expended in often futile recruitment efforts. Significant losses have occurred in many perishable crops because of farmers' inability to harvest at maturity. Other crops were not planted, or plantings were reduced, because of legitimate fears of labor shortages. Several farmers have simply abandoned acreage as a result of two few farmhands. Some farmers have moved their operations to other countries. These crop losses sustained by the producers also result in higher consumer prices, in certain instances.

It is not necessary to review in detail these distressing past events. They were covered in thorough hearings held before the Senate Committee on Agriculture and Forestry on January 15 and 16 of this year and shown by a printed hearing record of 369 pages available to all Senators. They were documented in discussions on the floor of the Senate on February 18, February 25, March 9, May 12, and again on June 30.

It has been only after the greatest efforts on the part of individual Members of the Senate and House with the executive branch, sometimes with the President himself, that we have been able to obtain relief at all. And this relief has been frequently too little and too late.

This problem is made much more difficult because presently there is no statutory duty on anyone other than the Attorney General to obtain the facts and make the determinations necessary to support proper conclusions. The Attorney General, however, does not have the facilities to determine the facts on which his decisions must be based. He must look elsewhere. And the person who makes the findings of fact should be responsible therefor. By placing the responsibility on the secretary of Agriculture to determine the facts, and making his findings binding on other Federal agencies, this amendment will prevent arbitrary or capricious actions and will allow such actions to be tested in the courts.

At the present time, as was indicated in the Court's decision in the Florida case of *Chase Glades Farms v. Wirtz* (No. 65-86-Orl.-Civ.) arbitrary and capricious acts on the part of the Secretary of Labor or his failure to act cannot be tested because he is performing only an advisory function not directed by law.

On May 5, 1965, 10 Florida celery growers filed an action to restrain and enjoin the Secretary of Labor from refusing to extend the certification for celery cutters from April 30 to June 15, 1965 to permit foreign agricultural workers holding temporary visas as supplementary agricultural workers under the provisions of section 101(a)(15)(H)(ii) of the Immigration and Nationality Act to continue to perform the operation of cutting celery until May 31 as to some of them, and until June 15, as to others—*Chase Glades Farms v. Wirtz*, No. 65-86-Orl.-Civ. The complaint alleged that the Bureau of Employment Security of the Department of Labor had arbitrarily and capriciously refused to extend its clearance order or certification for the use of this labor beyond April 30, 1965, and that irreparable losses of the celery crop would be sustained if the supplementary workers were not permitted to continue to cut celery. A restraining order and injunction was also requested against the Attorney General and the Commissioner of Immigration and Naturalization from deporting the workers.

The gist of the cast is well stated in the following paragraph from the opinion of the trial court:

The refusal of the Secretary of Labor to extend the certification for celery cutters from April 30 to June 15, 1965, is the crux of the plaintiff's case. Plaintiffs are all celery growers in the Okeechobee area of Florida and are each a beneficiary of the Florida Fruit and Vegetable Association's contract for off-shore workers.

In the argument to the court with respect to the issuance of a temporary restraining order counsel for the Secretary of Labor and the Attorney General contended that the Secretary of Labor is vested with no authority whatsoever to determine whether any laborer should

be admitted on a nonimmigrant status or whether having been admitted his stay should be continued, and that the Secretary of Labor acts only in an advisory capacity to the Attorney General.

Mr. President, because of the failure to adduce in court evidence of the extreme hardships that have been endured, the great farm organizations of this country have come out strongly for taking care of this matter. I have received a telegram from Mr. Bernard J. Imming, secretary of the United Fresh Fruit & Vegetable Association. I ask unanimous consent that his telegram be printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
September 13, 1965.

HON. SPESSARD HOLLAND,
U.S. Senate,
Washington, D.C.:

We support section 706 of farm bill. U.S. Department of Agriculture has necessary facilities to make specific findings of fact which should be extremely helpful to U.S. Department of Labor and Attorney General in assuring adequate supplies badly needed supplemental farmworkers.

BERNARD J. IMMING,
Secretary, United Fresh Fruit & Vegetable Association.

Mr. HOLLAND. Mr. President, Mr. Imming's telegram makes it quite clear that we are not trying to knock the Secretary of Labor out of business and are not trying to displace the Commissioner of Immigration. To the contrary, we are trying to help them to do a difficult job which they have not been able to do well under the present setup because the Secretary of Labor has stymied the whole process.

I have also received a telegram from Mr. Charles B. Shuman, president of the American Farm Bureau Federation. I ask unanimous consent that his telegram be printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
September 13, 1965.

HON. SPESSARD L. HOLLAND,
U.S. Senate,
Washington, D.C.:

The American Farm Bureau Federation board of directors, now in session, endorses your proposed amendment to authorize the Secretary of Agriculture to determine farm labor needs as the basis for the admission of supplemental foreign farmworkers. The Department of Agriculture has the statistical field force familiar with the labor needs of farmers to provide reliable and helpful data for this purpose.

CHARLES B. SHUMAN,
President,
American Farm Bureau Federation.

Mr. HOLLAND. Mr. President, another telegram, a copy of which I have received, is from Kenneth D. Naden, executive vice president of the National Council of Farmer Cooperatives. I ask unanimous consent that his telegram be printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF
FARMER COOPERATIVES.

HON. MIKE MANSFIELD,
Senate Majority Leader.
HON. EVERETT M. DIRKSEN,
Senate Minority Leader.
HON. RUSSELL LONG,
U.S. Senate.
HON. ALLEN J. ELLENDER,
U.S. Senate,
Washington, D.C.:

Members of National Council of Farmer Cooperatives strongly support Holland amendment, Section 706 to farm bill (H.R. 9811) being considered today. Amendment essential because of skillful field staff and unique knowledge of Secretary of Agriculture of resources required for effective and efficient production of farm products. Timeliness in production and harvesting of farm products necessary to maintain quality, prevent waste, and support farm income as well as protect consumers.

KENNETH D. NADEN,
Executive Vice President.

Copy to Senator SPESSARD L. HOLLAND.

Mr. HOLLAND. Mr. President, I wish to emphasize one sentence of Mr. Naden's telegram:

Amendment essential because of skillful field staff and unique knowledge of Secretary of Agriculture of resources required for effective and efficient production of farm products.

Mr. President, I have also received a fine letter from Herschel D. Newsom, national master of the National Grange, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL GRANGE,
Washington, D.C., September 13, 1965.

HON. SPESSARD L. HOLLAND,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HOLLAND: The National Grange strongly supports section 706 of H.R. 9811, the farm bill now pending before the Senate.

The matter of having the necessary number of farmworkers who are capable of performing the arduous tasks involved in the production and harvesting of the Nation's agricultural crops is vital to farmers, consumers and to our national well-being.

There is no question but that American agriculture gives first preference to the employment of qualified Americans but experience has demonstrated time and again that there are periods of time when supplemental farmworkers are needed. When these conditions exist this need must be met. There must be an orderly and certain procedure whereby the essential facts can be ascertained and whereby the needed supplemental workers may be admitted for temporary employment without farmers being subjected to inordinate and unreasonable requirements and without needless delays occasioned by bureaucratic experimentations.

The Immigration and Nationality Act specifically authorizes the admission of farmworkers whenever the need exists. The present procedure, however, of depending upon the Secretary of Labor to obtain and supply the facts has proven to be a complete failure. The Department of Labor obviously is not qualified, as is the Department of Agriculture, to determine the needs, availability, and capability of persons in the areas of employment to perform the different kinds of farmwork, or the urgent necessities of having the work performed at particular times. Through the facilities of the U.S. Employ-

ment Service the Department of Labor can and should make known and assist any prospective farmworkers to find jobs—just as it does workers seeking any other kind of employment activity—but the test of whether they will make themselves available and whether they are capable of performing agricultural fieldwork is something in which the Department of Labor does not have expertise comparable to that of the Department of Agriculture.

The need for supplemental farmworkers has been particularly acute this year from Maine to California because of policy changes not directed by law inaugurated by the Department of Labor. Farmers have been subjected to excessive and unreasonable requirements and even then agricultural needs have not been met. The National Grange believes that the time is now at hand for the Congress to provide a way for their agricultural needs to be determined and transmitted to the Attorney General.

There can be no doubt that the Department of Agriculture has the facilities and capabilities of making the determinations required under section 706. This fact, of course, is rather obvious when one considers that there are county agents and county committees dealing daily with agricultural matters in almost every county in the United States.

I am at a loss to understand why anyone would object to having the Secretary of Agriculture specifically charged by the Congress with the responsibility for ascertaining facts and for making determinations which are peculiarly within his competence. It is clear that the necessary facts which are essential to prompt determinations so that agricultural needs can be met have either not been obtained or they have been ignored. This should be corrected and we believe section 706 will be helpful.

We, therefore, hope that the Senate will retain section 706 in the bill.

Sincerely yours,
HERSCHEL D. NEWSOM,
National Master.

Mr. HOLLAND. Mr. President, I wish to read for emphasis two parts of Mr. Newsom's letter.

The Immigration and Nationality Act specifically authorizes the admission of farmworkers whenever the need exists. The present procedure, however, of depending upon the Secretary of Labor to obtain and supply the facts has proven to be a complete failure. The Department of Labor obviously is not qualified, as is the Department of Agriculture, to determine the needs, availability and capability of persons in the areas of employment to perform the different kinds of farmwork, or the urgent necessities of having the work performed at particular times.

I now read the last paragraph of Mr. Newsom's letter:

I am at a loss to understand why anyone would object to having the Secretary of Agriculture specifically charged by the Congress with the responsibility for ascertaining facts and for making determinations which are peculiarly within his competence. It is clear that the necessary facts which are essential to prompt determinations so that agricultural needs can be met have either not been obtained or they have been ignored. This should be corrected and we believe section 706 will be helpful.

Mr. President, I ask unanimous consent that I may yield to the distinguished junior Senator from Tennessee for the purpose of enabling him to ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BASS. Mr. President, on the pending amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BASS. I thank the Senator from Florida for yielding.

Mr. HOLLAND. Mr. President, in refusing the temporary restraining order as requested, the court said:

This court concludes that under the law * * * the Secretary of Labor, his subordinates and the agencies of the Department of Labor are not vested with any authority to grant or deny the admission or the continuance in this country of any nonimmigrant laborer. Because of that, the determinations made by the Secretary of Labor in connection with such matters are solely advisory and can be accepted or rejected by the Attorney General in the exercise of his statutory authority on this subject. The giving of such advice is not subject to injunctions.

The growers are helpless. They have no place to go, the court said. I think the court was correct in that. I understand that two courts in California ruled in the same way. I have not seen those decisions, but the courts have held that the growers are without legal remedy. Is that American? Is that the way in which we are supposed to conduct important businesses in which the citizens of our Nation have money invested for the purpose of feeding people? I do not believe it is.

The PRESIDING OFFICER. The 30 minutes of the Senator have expired.

Mr. ELLENDER. Mr. President, I yield 15 additional minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for an additional 15 minutes.

Mr. HOLLAND. Mr. President, shortly after the issuance of the court decree in this case the Attorney General rejected the finding of the Secretary of Labor and ordered an extension of time for the off-shore celery cutters involved in that suit. For this relief we are indebted to the Attorney General and to the President.

Mr. President, it is an unfortunate situation when the growers must go to the President. That is what we had to do in order to get relief when, at midnight of that day, the workers were supposed to be ejected from the country. The President called the Attorney General and told him to keep the workers in the country so that they could do this important work in harvesting perishable crops.

This problem will continue until a procedure for fixing such responsibility is established. And it is the purpose of our section 706 of the pending bill to provide just such a system. Under section 706 the Secretary of Agriculture will be designated as the appropriate official to ascertain agriculture's requirements for farmworkers and their availability and to make these findings known to appropriate agencies of Government.

Is this provision needed? To me the answer is definitely "yes."

Until recent years, supplemental farm labor programs worked smoothly and

reasonably well although persistent efforts were made to use them as vehicles for achieving purposes never intended by Congress. Beginning this year, however, the Secretary of Labor made a sharp change in his policies and procedures in connection with issuing clearance orders for workers. He has imposed numerous onerous requirements as a condition to presenting a petition for workers to the Commissioner of Immigration. Just to cite one, he has required the payment of a minimum wage in several States, in excess of that established by Congress for industry. This has never been authorized by Congress, and in fact, agriculture has been expressly exempt from the Wage and Hour Act.

Not only have farmers been saddled with extremely burdensome regulations, but the Secretary of Labor has taken the position that foreign, supplemental, agricultural labor should be excluded. He attempted to support this position by the strange theory that the Congress by not extending his authority under Public Law 78, under which Mexican nationals formerly entered this country, somehow nullified the provisions of the Immigration and Nationality Act—Public Law 414—authorizing the importation of needed workers.

The Department of Labor has consistently misconstrued congressional intent with respect to supplemental labor programs. It has constantly maintained that Congress intended, by not extending Public Law 78, to discontinue making available supplemental agricultural labor to American farmers under other law provided for that purpose, which law is still on the books.

In his statement covering his December 19, 1964 regulations, the Secretary of Labor said with respect to the action of the 88th Congress in extending Public Law 78 to the end of 1964:

The users of braceros were put on notice that this supply of foreign labor was, by Congress' decision, to be cut off.

He further declared in the same statement that the issuance of the December 19 regulations under the immigration law "does not imply that there will be any large-scale use of foreign workers in the future. To the contrary, it is expected that such use will be very greatly reduced and, hopefully, eliminated."

Subsequently, during the hearings before the Senate Committee on Agriculture and Forestry on January 15 and 16, 1965, Mr. Wirtz attributing to Congress an intent to nullify the Immigration and Nationality Act said on page 66 of the hearings:

Or in short, Congress stopped this law (Public Law 78) and the rest of the legal point is that it will not be reinstated by administrative action through the back door.

I presume he was speaking of the immigration law in his reference to "the back door."

Later in his testimony following rather intensive questioning he did admit that the provisions of the Immigration Act clearly authorized the admission of supplemental farm workers and could be used for that purpose.

Notwithstanding this admission, the Department of Labor persists in contending that Congress intended to cut-off needed supplies of supplemental farm workers.

On August 22, the regional administrator of the U.S. Employment Service, Ernest Marbury, according to a United Press release, said:

The Department of Labor's action was in accord with congressional directives in an effort to eliminate the mass importation of foreign agricultural workers.

The action referred to was the approval of 600 British West Indians to cut sugarcane in Florida for 2 months. This was permitted only after extraordinary and intensive recruitment failed to turn up domestic workers.

I wish I had time to tell about the absurd requirements of the Department of Labor. We had to recruit labor in Alabama, Louisiana, Tennessee, Georgia, and all across the east coast. Then we were sent to Puerto Rico to recruit labor, in spite of the fact that the Commonwealth of Puerto Rico would not permit its workers to come to the States south of the Mason-Dixon line. The amount of the expenditure was enormous.

Every Secretary of Labor before this one has known and found that domestic people will not get on their knees in the muck fields with machetes and cut cane, as is required.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. Mr. President, where did the 600 workers come from?

Mr. HOLLAND. They came from Jamaica.

Mr. LAUSCHE. Under what law?

Mr. HOLLAND. Under the immigration law, Public Law 414.

Mr. LAUSCHE. They came here for what period of time?

Mr. HOLLAND. They came here for the sugarcane planting season, a period of approximately 2 months.

Mr. LAUSCHE. What will happen after they serve their 2 months here?

Mr. HOLLAND. They will go back to Jamaica.

The Secretary applied the same conditions with reference to our harvesting labor. We were told in San Juan that they would not permit any of the few who were qualified to do this work to come and assist in the harvesting. Our harvesting season happens to be the same as theirs, and they harvest in the same way that we do.

Mr. LAUSCHE. Mr. President, whenever workers are brought to our country under the immigration law, they are brought in for the purpose of serving in an emergency, and when the emergency is over, they are sent back to the country from which they came.

Mr. HOLLAND. The Senator is correct. A bond must be put up before the workers are brought in, to guarantee against their remaining here.

Mr. LAUSCHE. Mr. President, that would mean that they do not remain here as a permanent, competitive labor force.

Mr. HOLLAND. The Senator is correct.

The clearest possible showing of the intention of the Department of Labor is shown in its justification to Congress of its request for additional appropriations to enlarge its recruiting program. I quote from such justification, as filed with the Senate Committee on Appropriations, the following statement of the Department of Labor:

The task is now expected to be rendered singularly more difficult, since it will be directed toward the complete transition from foreign to domestic labor.

The contention that Congress intended to nullify the authority to admit supplemental workers under the immigration law is completely at variance with the fact and every official of the Department of Labor should know this is the case.

In the debates on the most recent extension of Public Law 78 in 1963, the point was made over and over that Public Law 414, the Immigration and Nationality Act, was in no way affected by limiting the extension of Public Law 78 to December 31, 1964, only. I discussed this at great length on the Senate floor on June 30 of this year. At that time I inserted in the RECORD colloquies between Senator McCARTHY and Senator PROXMIER and myself which took place on May 15, 1963, on this subject.

I quote them again for emphasis:

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. McCARTHY. Will the Senator explain who in the opposition does not understand about Public Law 414?

Mr. HOLLAND. Does the Senator from Minnesota mean that he understands that thousands come in every year from Mexico?

Mr. McCARTHY. I certainly do.

Mr. HOLLAND. I withdraw my statement as to the Senator from Minnesota. I do not withdraw it as to some other Senators.

Mr. PROXMIER. Mr. President, I hope the Senator will withdraw it so far as the Senator from Wisconsin is concerned. I am thoroughly aware of the situation and have been for some time. I also know that the Labor Department has cracked down on the program very stringently. The Labor Department is now following a policy far different from that past policy. The expectation is that the number of Mexicans who will come into the country in the future under Public Law 414 will not reflect any diminution in the number that would come in under Public Law 78.

Mr. HOLLAND. I wonder if the Senator agrees with the statement of Mr. Henning, Under Secretary of Labor, when he said that Public Law 78 is a better law than Public Law 414.

Mr. PROXMIER. I agree that Mr. Henning made that statement.

Mr. HOLLAND. Does the Senator agree with the conclusion?

Mr. PROXMIER. In answer to the statement of the Senator from Florida, in the first place, I would like to eliminate Public Law 78. Then it would be possible, under present policies which have been followed by the Department of Labor since June of this year, to limit the number coming in under Public Law 414, to provide for the legitimate need for additional Mexican workers.

This shows that it is not only a recognized fact that the immigration law was still in force, but also that it would still be used.

This is what the able Senator from Wisconsin said:

The expectation is that the number of Mexicans who will come into the country in the future under Public Law 414 will not reflect any diminution in the number of people who come in under Public Law 78.

That was the Bracero Act.

These exchanges on the Senate floor clearly show that there was no intention on the part of the Congress to stop needed supplies of supplemental farmworkers and that it was well understood that the Immigration and Nationality Act, Public Law 414, was then available and would remain available after the expiration of Public Law 78 for the importation of supplemental farmworkers.

Mr. President, the Secretary appears to think that the unemployed domestic workers of our country might be good orange pickers in Florida or good apple pickers in Virginia.

I am glad to see on the floor the distinguished Senator from Virginia [Mr. BYRD]. Virginia is a State which needs apple pickers. Florida needs orange pickers.

We find that only a small percentage of the labor force is willing to climb ladders, and only a small percentage of the workers become proficient in picking the fruit from the trees.

The Secretary also argues that no supplementary workers should be permitted to enter the country because of the domestic unemployment problem.

If the Secretary were to find that their coming into our country was adverse, and he were to file an affidavit to that effect, that would control. However, he cannot supply information upon which depends our chance of obtaining workers when we need them. If we do not get them, we shall suffer the great losses which we have suffered this year.

In disregard of recognized facts, he forced growers to undertake fruitless, but expensive, recruitment activities. In addition, he launched a special program to get the unemployed to accept farm work. This was done at great expense to taxpayers and the results were negligible.

Thus we have a situation where the Secretary of Labor departed from judgments based on factual needs of agriculture. Instead he substituted for factual findings, his own predilections and assumptions.

These actions have deprived agriculture of its opportunity to exercise its rights under the law to obtain needed supplemental workers.

It is this type of action to which everyone should take exception. I say, as strongly as I can, that there must be a way to get the facts as to agricultural labor supplies and availability to the Attorney General in response to congressional direction.

This is what section 706 would do. This section takes away no authority whatsoever from the Attorney General. He has and would retain complete authority to admit or deny the entrance of nonimmigrant agricultural workers.

Neither does it remove any authority of the Secretary of Labor for the simple reason that with respect to section 214(c) of the Immigration and Nationality Act—

the section concerning the entry of non-immigrant workers—none has been conferred on him by the Congress. His functions are only advisory, although admittedly his recent actions have the effect of converting advisory functions to regulatory authority.

It is important to an understanding and fair determination of the questions involved here to bear in mind that the alleged authority of the Secretary of Labor is strictly advisory. This should be emphasized in view of the statements made in the minority report and in the press that this provision would take away authority from the Secretary of Labor and confer it on the Secretary of Agriculture.

A mere reading of the provisions of the law is sufficient to make it clear that complete authority is vested in the Attorney General and no other official has anything but consultative or advisory duties.

Section 214(a) of the Immigration and Nationality Act provides:

The admission to the United States of any alien as a nonimmigrant shall be for such time and under such conditions as, the Attorney General may by regulation prescribe.

Section 214(c) reads as follows:

The question of importing any alien as a nonimmigrant—shall be determined by the Attorney General after consultation with appropriate agencies of Government upon petition of the importing employer.

The report of the House Committee on the Judiciary—House Report 1365, February 14, 1952—on the Immigration and Nationality Act stated:

These provisions of the bill grant the Attorney General sufficient authority to admit temporarily certain workers, industrial, agricultural, or otherwise, for the purpose of alleviating labor shortages as they exist or may develop in certain areas or certain branches of American productive enterprises, particularly in periods of intensified production.

The Department of Labor, at my request on May 14, 1963, submitted a memorandum of law on the Secretary of Labor's powers to promulgate rules, regulations and policies relating to the admission of aliens, other than Mexicans, for temporary agricultural employment in the United States.

The memorandum states:

It is appropriate at this point to observe that the role of the Department of Labor in this process is basically an advisory one. As an agency designated by the Attorney General for consultation in deciding questions under section 214(c) of the Immigration and Nationality Act it issues the clearance order which has been requested with respect to the availability of domestic labor and the observance of Employment Service policies. That certification has no operative effect as such. The ultimate decision in these cases is the responsibility of the Attorney General who has imposed the requirement of the clearance order.

In testimony presented by Mr. Albert Misler, Deputy Associate Solicitor of the Department of Labor, to a subcommittee of the House Committee on Judiciary on June 24, 1963, it was said about the Department of Labor's authority on the admission of aliens for temporary agricultural employment:

I would like to clarify something that has been unclear up to this point, that may be significant in connection with your consideration. Under the Mexican labor program, we make a statutory certification, the content of which is set out in the law. "In all other foreign labor programs, the certification we give is simply advisory to the Immigration and Naturalization Service."

In the case of Chase Glades Farms against Wirtz, to which I have previously referred, the statement by the counsel for the Government should be again emphasized. He said:

Section 1184 (i.e., section 214 of the Immigration and Nationality Act) makes it clear that questions relating to permission to import nonimmigrant workers are to be determined by the Attorney General. This court in its memorandum of opinion of May 6, 1965, clearly recognized what the statute specifically provides, namely, that the Attorney General may reject or accept what constitutes a recommendation by the Secretary of Labor.

It should be completely clear from all these facts, Mr. President, that we are not taking away power from the Secretary of Labor. We are putting it where it belongs, and where it can be exercised reasonably, and in such a way as to give the Commissioner of Immigration the information which he needs, and, if an error be made, to give the growers access to our courts. Mr. President, who wishes to continue to deprive our growers of access to their own courts?

Decisions on matters affecting the making of a crop necessarily involve a high degree of risk and call for careful judgment. Where such decisions are required by an agency of Government, the agency with responsibility for them should be the one fully conversant with agriculture's problems and needs. This is the philosophy of the Sugar Act of 1948. Under it payments are made by the Secretary of Agriculture to sugar producers when he finds: First, that no abusive child labor—as defined in the act—has been employed in the production of sugar; second, that the farm allotment has not been exceeded; third, that full wages have been paid workers; and fourth, that the wage rate prescribed by the Secretary of Agriculture has been paid.

The Department of Agriculture has the organization for making these findings. It has agents and county committees in every county. State committees function in each State. It has available to it specialists in every field. It also has information from and the assistance of the land grant colleges and the Extension Services. It maintains the Federal-State market news service and a crop reporting service.

It can be expected decisions will be more timely and most of the conflict now existing between farmers and their Government should be eliminated. Because the Secretary of Agriculture knows and understands farming better than any other top official of Government, his decisions will be met with more confidence than is now the case.

That is why all these farm organizations are supporting our amendment.

With the Secretary of Agriculture making the determinations required, the

views of all interested parties will be received with equal interest and fairness. Findings, however, will be based on facts.

The Secretary of Labor can continue to supply any information or advice on matters about which he has any peculiar knowledge. Nothing in section 706 is designed to change the functions of the Employment Service as a service agency whereby people desiring jobs in agriculture can be sought and can make their availability known and employers can ascertain their readiness to work.

With respect to domestic labor, the Secretary of Labor is given authority by the Congress under the Wagner-Peyser Act of 1933 (29 U.S.C. 49b and 49k) to promote and develop first, a national system of employment offices; second, to maintain a veterans service; third, to maintain a farm placement service; and fourth, to maintain a public employment service to assist in establishing and maintaining systems of public employment offices in the several States. The U.S. Employment Service was authorized to "assist in coordinating the public employment offices throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedure, furnishing and publishing information as to opportunities for employment, and other information of value in the operation of the system, and maintaining a system for clearing labor between the several States."

As the following excerpts from the committee reports on the legislation show, there is nothing in the statute indicating that the Department of Labor is to exercise any substantive control through the utilization of the Employment Service.

These excerpts come from the committee's reports at the time of the enactment of the bill, subsequent to the enactment of the bill and from the provisions of the justifications of the Secretary when he asked for additional money this year, to better carry out his recruiting policies which was cleared by a subcommittee and by a full committee of which I am a member.

The report of the Senate committee on the bill—Senate Report 63, 73d Congress; S. 510—states the following as the purpose of the bill:

To assist and stimulate the development of a system by the States, the Federal Government will give sums of money to match the moneys already appropriated by the States or set aside by the States, for the development of a free employment service. The committee feels that we should keep the pattern of the States in doing their own work in placement, and put the Federal Government in the position of helping and encouraging them to do so; the Federal Government being responsible for the statistical work and saving the States this expense, and the statistical information being available to all the States. The Federal Government is also to do research work, which is often too expensive for the States to do individually; the function of the States being to

perform the task of getting the jobs and the workers brought together.

The House report—House Report 158, 73d Congress; H.R. 4559—stated:

This bill in a word sets up a national system for cooperation with the various States and endeavors to promote the establishment and maintenance of national system of public employment offices; and for that purpose creates in the Department of Labor a bureau to be known as the U.S. Employment Service under the control of a director.

The Secretary of Labor will continue to be responsible for carrying out his duties as authorized by the Wagner-Peyser Act. Section 706 of this bill does absolutely nothing to change the functions of the U.S. Employment Service. It will create no duplications or confusions, nor will it transfer the Employment Service to the Department of Agriculture. The Department of Agriculture is not, under section 706, going to engage in the recruitment or placement of farm labor.

Now, Mr. President, one other point should be made clear and I am sure that the distinguished chairman of the committee will agree with me.

Section 706 would apply only to agricultural labor determinations.

I conclude by emphasizing again that one of the most essential reasons for this section is to get the facts—facts heretofore not obtained, ignored, or misunderstood—to the Attorney General for his use in making the decisions required.

No one is charged by Congress specifically with the responsibility for obtaining and keeping current the labor needs of agriculture as directed by section 706 of the pending bill.

Any decision affecting agriculture must be based on a knowledge of the total agricultural labor situation existing when the decisions are made. I repeat, any pertinent information of which the Secretary of Labor has knowledge can continue to be available in the decisionmaking process.

I urge the support of this section, and the defeat of the pending motion.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The time of the Senator has expired.

Mr. HOLLAND. One more minute.

Mr. ELLENDER. I yield the Senator a minute and a half.

Mr. HOLLAND. To cite one instance in which the facts as found by the Department of Agriculture would have saved a loss of \$4 to \$6 million this very year, to the growers of oranges in Florida, I wish to read from a letter of February 16, signed by William R. Huey, District Director of the Federal Crop Insurance Corporation, with reference to the condition of that citrus crop, which was not, under the present practice, acted upon by the Secretary of Labor. Apparently he did not even want to act. I quote only the last sentence from that letter:

The factors noted above combined with the grower's inability to secure an adequate and timely harvesting force is resulting in a monetary loss of approximately \$100 per acre since most of the fallen fruit was salvageable if it could have been harvested prior to the time deterioration and spoilage began.

To those who say that the Secretary of Agriculture does not have the information, does not have the field force, this is cited as an absolute instance in which great savings could have been accomplished had he had such information, force, and authority.

Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I yield 1 minute to the Senator from Florida.

Mr. SMATHERS. Mr. President, I desire to associate myself with the remarks of my senior colleague in behalf of the amendment which he has offered to provide an adequate labor supply to harvest fruit and vegetable crops. We in Florida have had difficulty from time to time in getting an adequate amount of domestic labor to do this type of work but were unable to do so. As a result it is vitally essential to the timely harvesting of these crops that offshore labor be imported for this purpose.

The amendment which I am cosponsoring with my very able and distinguished colleague provides that the Secretary of Agriculture make a specific finding of labor needs and the time when such needs exist. It is apparent that this is the proper department of Government to make such a factfinding determination.

The amendment does not take away any jurisdiction from the Secretary of Labor or the Attorney General of the United States. In fact, I feel very deeply that the amendment will be of great assistance to both of these Cabinet officers.

Certainly if domestic labor were available I am confident that insofar as Florida is concerned, and I am sure this is equally true of other parts of the Nation, that they would be utilized. We have, however, experienced great difficulty in getting an adequate supply of domestic labor to do this type of work. Consequently we have repeatedly become involved in factual differences with the Department of Labor as to these needs. Recruitment plans by agricultural interests for domestic labor have failed. Consequently delays have occurred in harvesting fruit and vegetable crops, as well as cutting of sugarcane at a time when such labor should be available for these purposes.

I feel that the amendment is a good one, will resolve much of the difficulty we have had in the past and be of substantial benefit not only to agricultural interests but to the consumers of this Nation as well.

Mr. President, for these reasons I sincerely trust that the amendment to eliminate section 706 of the bill respecting future determinations as to the use of offshore labor will be defeated.

Mr. BASS. Mr. President, I yield the Senator from New Jersey 10 minutes, or whatever time he needs.

Mr. WILLIAMS of New Jersey. Mr. President, I very much appreciate the generosity of my friend the Senator from Tennessee. I endorse his eloquence in dealing with the amendment added by the Committee on Agriculture and Forestry. I shall support him as strongly as I can in advocating the acceptance of his

amendment, which would delete section 706.

It seems to me that we revive this entire subject on the floor of the Senate every fortnight. The issue is repeatedly raised by the distinguished senior Senator from Florida. I am not complaining that we have heard all of the arguments so many times before, but I am stating that we have heard all these arguments before.

I know of no issue that has seemed to present more panic, fear, and fancy than the question of whether we are meeting the needs of agriculture with American migratory farmworkers.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. HOLLAND. Did the Senator not state earlier that he was present in the Florida strawberry fields earlier this year, when a great loss was being sustained and labor was not available, and that he called upon the Secretary of Labor to ask that labor be made available immediately, and was that not done?

Mr. WILLIAMS of New Jersey. To err is human, and I made an error.

I was in the fields in Florida. Four major growers persuaded me that during the following week they would be in serious trouble because their crop would be ready for harvest, and they did not have enough workers.

I called the Secretary of Labor, and he sent the 300 additional foreign workers. Only then was it found that these additional workers were not needed. These workers were then sent to other areas.

So I made a mistake, and Secretary Wirtz made a mistake, too, at my urging.

The distinguished representative from that area joined me in that request for workers. When the time came, they were not needed because there were enough Americans present to harvest the crop.

Mr. HOLLAND. I am glad we had available someone who had more influence with the Secretary of Labor than we had, because we had made that request and it was not granted.

Mr. MURPHY. Mr. President, will the Senator from New Jersey yield at that point?

Mr. WILLIAMS of New Jersey. The growers up there were persuasive. They persuaded me that there would be trouble in citrus because the crop could not be harvested. I was anxious and apprehensive, but my fears were fanciful, because that did not happen, either.

Can the Senator from Florida enlighten me as to the nature of an organization called the Florida Citrus Commission? I am informed that this is an official body. Am I correct in that understanding?

Mr. HOLLAND. The Senator is correct.

Mr. WILLIAMS of New Jersey. A few weeks ago, the Florida Citrus Commission stated:

Florida orange juice is at the lowest price in years. Here is why. Over the past couple of years, oranges have been in short supply, but this year growers report one of the big-

gest crops in history. A big supply means one thing: lower prices. The price is so low, in fact, that orange juice is one of the most inexpensive drinks that anyone can buy.

Mr. HOLLAND. Mr. President, will the Senator from New Jersey yield at that point?

Mr. WILLIAMS of New Jersey. That comes from the Florida Citrus Commission. Yet earlier, it was feared—

Mr. HOLLAND. Mr. President, will the Senator from New Jersey yield at that point?

Mr. WILLIAMS of New Jersey. It was feared that the oranges were going to rot. Now they are producing oranges at such a rate that orange juice is at the lowest price it has been in years.

Mr. HOLLAND. Mr. President, will the Senator from New Jersey yield?

Mr. WILLIAMS of New Jersey. I am glad to yield.

Mr. HOLLAND. The very thing which produced the crisis in the mid-season orange crop was the fact that the Secretary of Labor was not willing to understand that in the production of perishable crops it varies from year to year, and that we had a very much larger crop this year, as we showed him, and as the Department of Agriculture further showed, and yet he wished to hold us to the level of workers of the year before.

There could not be a better showing of the futility of trusting someone who has no understanding of basic facts.

Mr. WILLIAMS of New Jersey. Notwithstanding all the charges leveled at Secretary Wirtz, the fact is, as reported in the most reliable financial newspaper I know of, the Wall Street Journal, that this year, farmers' net income promises to bounce up to \$13.5 billion, or more. This would be the highest since the year 1953.

Naturally, everyone is very glad that this is true; but in listening to debate in the Chamber, one would get the impression that every farmer was heading for bankruptcy because he cannot get enough workers. The fact is, the workers are there. The crops are coming in. Prices are lower for perishable products today than they were a year ago at this time. We have checked that repeatedly, week in and week out.

Mr. President, let me make one or two more points. The Senator from Tennessee has most adequately analyzed the extraordinary parliamentary situation which we face. I do not know—perhaps I should not say it—but it seems to me that there is some legislative piracy here; we are being asked to take a program that is within the purview of the Department of Justice, an immigration bill, which assigns responsibilities to the Secretary of Labor, and have the Committee on Agriculture and Forestry change that law, notwithstanding the fact that jurisdiction over this bill clearly rests with the Committee on the Judiciary. That has been fully explained. We also all know that last year this body killed the bracero program.

I believe that this debate makes it transparently clear that what we last year did most directly is now sought to be undone most indirectly.

I cannot believe that if it is important for the Senate to live within its rules, written and unwritten, it will permit this violation here today.

Let me say, finally, that the Committee on Agriculture and Forestry has presented a fine farm bill. Many of us from the consumer areas followed it with great interest, and are most happy that the bill is one which we can support. However, in my judgment, the addition of this provision would seriously threaten the success of the farm program.

For that additional reason, I ask unanimous consent to have printed in the RECORD an editorial published in the New York Times today, which states that the pending bill is a good bill but levels a full blast against section 706.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 13, 1965]

SOME SENSE IN AGRICULTURE

While the Senate has completed most of its work on the farm bill, it still has to vote on the controversial proposal sponsored by SPENSARD L. HOLLAND, who wants to take control over importation of foreign labor from the Department of Labor and give it to the Department of Agriculture. This proposed amendment has the obvious backing of the big growers, who have resented Labor's efforts to curb the supply of cheap foreign workers for harvesting crops.

Even Secretary of Labor Wirtz has given too much ground in recent weeks to corporate farm interests basically opposed to the idea that higher wages and better conditions will eliminate any holdback on the availability of domestic labor. The attempt of these interests to hand over jurisdiction to Agriculture, which is already overworked and has no competence in labor administration, must be defeated, since its clear purpose is to disrupt progress toward decent working conditions in American agriculture.

The passage of the rest of the farm bill will aid farmers. It does not entirely measure up to President Johnson's pledge to strengthen farm income while assuring low prices for food; but it does make a distinction between the efficient factory-sized farms, which have been getting subsidies they do not need, and the marginal farms, which have been victimized by the technological revolution in agriculture.

There will still be big surpluses calling for expensive storage facilities. And there will still be too many farmers on the farms. But in contrast to previous subsidy programs, the cost of the new farm bill promises to give taxpayers some positive returns for the large amount of money being poured into agriculture.

Mr. BASS. Mr. President, will the Senator from New Jersey yield at that point?

Mr. WILLIAMS of New Jersey. I am glad to yield to the Senator from Tennessee.

Mr. BASS. I was about to invite the attention of the Senate to the editorial which appeared in the New York Times this morning in support of the farm bill. Most of the readers of the New York Times are consumers. Yet the newspaper commends the agricultural bill and points out that this provision certainly should not be enacted into law and has no place in the pending bill.

I am happy that the Senator from New Jersey placed the editorial in the RECORD for everyone to read.

Mr. WILLIAMS of New Jersey. One additional point. I should like to include in the debate at this point a paragraph taken from the Appropriations Committee, report for the Department of Agriculture for 1966. As reported by the distinguished Senator from Florida [Mr. HOLLAND] the report calls for a comprehensive study by the Agriculture Department of the farm labor situation.

The Senator from Florida stated through his committee that:

The committee agrees with the report of the House committee that there is a "severe shortage of farm labor" to meet peak needs of many of the Nation's producers. The committee believes that this situation will continue to exist. Unfortunately, there is a large void in the economic and statistical data upon which our farm labor policies are based. This should be corrected at the earliest possible date. For this reason the Department is requested to make a comprehensive study of the entire agricultural labor situation.

Mr. President, that was stated only a few days ago. Perhaps such a report should be made, but this hasty action is unwise. I understand everything the Senator from Florida has said except for one point which I did not understand. The Senator said that Florida growers were requested to go to Puerto Rico to obtain workers. I understood the Senator to say that we did not obtain Puerto Rican workers. It seems to me that Puerto Rican workers would certainly be the complete answer to the problem particularly in relation to sugar. Especially because of their experience in working in sugar in Puerto Rico.

Mr. MURPHY. Mr. President, will the Senator from New Jersey yield at that point? I can explain that.

Mr. HOLLAND. Mr. President, will the Senator from New Jersey yield?

Mr. WILLIAMS of New Jersey. I should like to yield first to the Senator from Florida.

Mr. HOLLAND. The requirement was imposed upon those seeking—

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Who yields time?

Mr. BASS. I yield 1 additional minute to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 1 additional minute.

Mr. HOLLAND. In the case of seed cane, we plant a whole stalk of cane sugar in the furrow, which produces the various shoots.

Mr. WILLIAMS of New Jersey. Who turned down the Puerto Ricans, or did they turn down the opportunity?

Mr. HOLLAND. They turned it down.

Mr. WILLIAMS of New Jersey. I cannot understand that. Even Florida's climate is similar to Puerto Rico's.

Mr. HOLLAND. All I can say is that the Secretary of Labor himself, obdurate as he generally is, admitted that he had gone the limit and that we could not get a single one of them.

Mr. WILLIAMS of New Jersey. This will have to be clarified, because I distinctly heard the Senator say that we were asked to go to Puerto Rico to get—

Mr. HOLLAND. If the Senator from Tennessee will yield me 2 minutes, I shall be glad to make a complete answer to that inquiry.

Mr. WILLIAMS of New Jersey. The imaginary geographical line was also mentioned too, earlier.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLAND. If the Senator from Tennessee will yield to me, I will take but a minute to explain.

Mr. BASS. Mr. President, I yield 1 additional minute to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 1 minute.

Mr. HOLLAND. The fact is the Secretary of Labor imposed this condition. The people who went to San Juan were representatives of cane growers in the Okechobee area, plus the Department of Labor, and were met with complete refusal on the part of the equivalent cabinet officer of the Commonwealth of Puerto Rico, the reasons being two: First, they would need cutters at the same time for their harvest season, and they were afraid some of the folks would stay here; second, on the racial question, they were not ready to permit their cutters to go to the southern section of the United States. The Department of Labor knows that, because the department's representative was there.

Mr. BASS. Was it the Puerto Rican Secretary of Labor who made that determination?

Mr. HOLLAND. The counterpart of our Secretary of Labor made that determination.

Mr. BASS. That is what I thought.

Mr. HOLLAND. Unfortunately, we had to abide by it, and the Secretary of Labor abided by it.

Mr. BASS. I point out that the Secretary of Labor in the Commonwealth of Puerto Rico handles the same problems as the Secretary of Labor in this country.

Mr. ELLENDER. Mr. President, I yield 5 minutes on the amendment and 5 minutes on the bill to the Senator from California [Mr. MURPHY].

Mr. MURPHY. Mr. President, before I begin my prepared statement, let me say that there were 600 Puerto Ricans available to come into California to pick the early tomato crop. The producers would have sent an airplane to pick up the workers and would have paid the cost gladly, but the Secretary of Labor had made a stipulation that no one of them was to be used until after September 1, at which time about half the crop was damaged, in the Merced area with 25 million pounds of tomatoes left to rot. I do not know whether that is the same group of 600 workers to which reference has been made, but that is what happened in California.

Mr. President, I wish to join with the distinguished Senator from Florida in expressing the hope that the Senate and the conference committee will retain section 706 in the farm bill, so that at long last we may begin to take a practical, enlightened, workable approach to the matter of supplemental foreign labor which, over the years, has come to the farms in

29 States to help at the peak harvest times.

As we know, the Attorney General by law governs the admission to our country of temporary foreign labor, under the Immigration Act, and by regulation has delegated to the Secretary of Labor the responsibility for deciding whether such foreign labor is necessary. With the expiration of Public Law 78, the Secretary of Labor assumed responsibility for all decisions as to whether foreign labor should be admitted to this country for agriculture.

The Secretary of Labor had an admirable hope that we might eliminate our unemployment by transferring great numbers of our urban unemployed to the farms to replace the temporary foreign farmworkers. He seemed not to realize that this was not a new idea, nor that the farmers always have been required by law, and have, in fact, hired domestic workers first—and were only permitted to hire foreign labor when the domestics were not available.

The fallacy of his plan was anticipated by nearly everyone but the Secretary himself and a few union leaders who, for many years, have hoped to organize farm labor and who saw here an ideal opportunity to swell their membership ranks.

The disastrous results of the new plan were evident almost immediately at the beginning of this year. Only about 20 percent of the domestic unemployed transferred to the farms stayed on the job over 2 weeks, and the productivity of their efforts was only a fraction of that of our experienced, competent, domestic workers, or of the extra foreign help we had had in the past.

To repair the damage, Indians were brought in from the Midwestern reservations but, here again, the Secretary should have known that this had been tried unsuccessfully by the farmers in years past. Rather than help the problem, this further complicated it and the damage increased.

Next, the Secretary tried a public relations stunt referred to as "A-teams." This envisioned the use of vacationing high school athletes organized with coaches, and from all reports, because of lack of organization and planning by the Department of Labor, this resulted in a most costly, unpleasant, and unproductive fiasco. This, too, was not a new plan, as students have been used locally and worked well in the past, but when the Department of Labor stepped in, confusion prevailed. The story of the frustration and failure is told in the California Farm Bureau Monthly of September 1965, and I ask unanimous consent that this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A-TEAM PROGRAM—A COSTLY BUNGLE

NOTE.—There have been good and bad reports on the U.S. Department of Labor A-Team program (Athletes in Temporary Employment as Agricultural Manpower). Here is a factual account of the program's operation in this State in the Stockton, Salinas and Blythe areas where the majority of teams were employed.

(By Betty Yater)

The general feeling among growers participating in the A-team farm labor program in this State is that it would have worked much better had the U.S. Department of Labor stayed out of it. However, the Department not only jumped on the bandwagon of California's 2-year-old program of employing teams of youth in agriculture, but also took over in the driver's seat without knowing the first thing about handling the vehicle. The result was a bungle which has left some growers as well as some A-team members very bitter.

As readers of this magazine know, the California Farm Bureau Federation and other organizations joined with the Farm Labor Division of the State Department of Employment 3 years ago in a program to develop opportunities for more youth to work in agriculture. Through trial and error, successful procedures had been developed for placing teams of students supervised by their coaches or teachers in farm work, primarily harvest jobs. The major prerequisites for success were found to include: (1) paying the youth on a straight piece rate basis so the grower could afford to hire them, (2) maintaining adequate supervision and training, and (3) obtaining the students from distances relatively close by the job location.

U.S. Secretary of Labor W. Willard Wirtz heard about this program when he toured California this spring, took over the idea, tagged a new name on it (A-team), and announced it May 4 as one of his crash programs to supply California growers with farm labor. But although he grabbed the idea, unfortunately he did not take advantage of the experience this State has had in operating such a program, and even the California Department of Employment was not allowed to advise on the program.

At the beginning of the summer, California had 45 A-Teams representing 1,679 students, according to George Geary, deputy chief, farm labor division, State department of employment. Twenty-six of these teams were employed in Salinas, 12 in Blythe, and three in Stockton, with the remainder scattered over the State in areas with crops under harvest. The majority of the teams were from out of State. This wasn't because California students failed to sign up in the program. Rather, it was a case of schools in other States getting out in late May, while California schools finish the year's term in mid-June.

Deputy Chief Geary reported that San Diego County, for example, had signed up 1,200 local young people who were interested in working under the program, but only a few teams from that area had been placed. They were too late. Jobs had already been taken by out of Staters.

From interviews with growers, growers' labor association managers, and A-Team members themselves, it can only be concluded that personnel of the U.S. Department of Labor were determined to round up enough numbers of people to make good on the Secretary's statement that there are ample domestic people available to do farm labor. The A-Team program became one vehicle to be used toward this end. It was a crash program to prove a point.

But in their efforts to get numbers, recruiters apparently oversold the program to the young people. And growers were forced to take the A-Teams in order to meet criteria for the foreign supplemental labor they might need at a later date.

STUDENTS MISLED

Most of the students were sold the program on the strength of a very brief, hurriedly published brochure, and statements made by U.S. Department of labor recruiters. A-Team members interviewed in Salinas said they had been led to believe that this was a recreation as well as a work program—that

recreational facilities would be provided and that participants would be coached in sports.

From the standpoint of the work part of the program, the students said they were led to believe they would be guaranteed \$1.40 per hour regardless of their production. (In Salinas, after a training and trial period during which they did receive \$1.40 per hour, A-Team members were placed on the going piece rate of \$1 per flat of berries. This the students didn't like.)

Although they understood their food would cost \$2.25 per day, some said they didn't realize this was to be deducted from their wages. All interviewed said they hadn't been told that insurance costs (social security, State disability and off-the-job medical insurance) would be deducted from their pay.

The youngsters said they didn't feel that living conditions and food measured up to what they had been led to believe they would receive. In sum total, the Salinas A-Teams interviewed were not at all happy with the program.

One little, freckled-faced fellow interviewed really had a tiger by the tail. His room and board and insurance deductions were running about \$3.50 per day. On the day interviewed, he had picked two flats of berries (earning \$2), had given up, and was sitting in the bus waiting to be taken back to camp. To him the program was "a gyp. They are deducting more than I am making." However, on the counsel of his adviser, a college student accompanying the group, he was going to finish out his contract, because then the grower would have to pay his way home.

Even those A-teams interviewed who had picked from six to nine flats in a day felt they were being "taken" in the program. Some were placing the blame on the grower because "he wasn't paying enough wages," others were blaming the recruiter who had misrepresented the program to them.

GROWERS MISLED

The growers were told they would receive junior and senior high school athletes accompanied by their coaches. They say they were also led to believe by U.S. Department of Labor personnel that if they cooperated in the A-team program, they would also receive braceros this season. Growers will tell you now that they were double crossed on both counts.

Some teams were comprised of 16-, 17-, and 18-year-old student athletes accompanied by their coaches. But there were far too many 14- and 15-year-olds in many of the groups, growers said, and some of these groups were accompanied not by a coach but by a college student.

When the Blythe growers, who had gone all out in cooperating on the program, tried to obtain braceros, they were turned down flat.

In both Salinas and Blythe, growers were sent more A-teams than they had agreed to take. In Salinas, Salinas Strawberries was saddled with 24 of the 26 teams in that area. Bill Pihl was pulled off his regular work with the firm and assigned to handle Salinas Strawberries' A-team efforts. According to Pihl, the firm, a former bracero user, thought it had agreed to take 90 boys under the program—until June 1, when suddenly they were deluged with A-teams, and eventually ended up with 868 boys.

This is like expecting one weekend guest and having nine show up. You make do as best you can in feeding and sleeping them. And that's exactly the position in which Salina Strawberries was caught. The firm didn't have facilities for such numbers, so had to quickly contract for use of camps in the area which had previously been used to house and feed braceros.

In Blythe, it was much the same story.

For several years, growers in the Palo Verde Valley, which lies along the Arizona border, had been using teams of athletes supervised

by their coaches. Before the Secretary's tour, the growers had already started laying their plans for employing teams of youth in this summer's harvest of melons. Representatives of some of the growers had already been into Arizona to talk with coaches and junior and senior student athletes in high schools there.

The growers had decided they would recruit 150 Arizona high school athletes accompanied by their coaches. However, after the Department of Labor came out with its A-team program, the Blythe growers were talked into taking an additional 100 students, or a minimum of 250.

The growers went ahead with their plans and recruited 264 students in Arizona through a team made up of a growers' representative and a U.S. Department of Labor coordinator. Contracts were signed between the growers, the parents, and the A-team members before the latter came to the Palo Verde Valley to work.

Operating through Blythe Growers, Inc., a local growers' labor association, the farmers went all out for the 264 boys they were expecting. They rented new, air-conditioned apartments in the heart of the town to house the A-teams and leased the high school cafeteria to feed the boys. They hired semi-weekly maid service and weekly linen service. Since there is no municipal pool in Blythe, arrangements were made for the boys to use the swimming pools at various motels in the area and the use of local basketball and baseball facilities were obtained for them. The farmers even hired a local coach to work with the boys on their day off—they were to have 1 day off in 7 on a staggered basis.

The Blythe growers laid their plans thoroughly and were well organized. However, they ended up with just about double the number of boys they thought they were getting. Besides the original 250, they were sent an additional 235 by the Department of Labor. Like the Salinas growers, they had to scramble around and quickly line up additional facilities for the overflow boys, including leasing a labor camp formerly used for braceros.

It should be pointed out that of the areas in which interviews were made throughout the State, Blythe achieved the greatest success with the program. Some of the growers have made verbal agreements with some of the teams and their coaches to return next year.

What problems the Blythe growers did have were with the teams that were sent to them—those they didn't recruit themselves. On these, the growers report the boys were younger than anticipated and in many cases were not athletes.

In their own recruiting efforts, the Blythe growers had taken great pains to recruit boys from a similar climate, quite a factor in the Palo Verde Valley where summer temperatures can rise as high as 119°. Some of the teams sent by the Department were from cooler climates, and the heat proved a real hardship for these.

Generally speaking, the Blythe growers were satisfied with the boys, but were upset over the costs incurred.

COSTS EXORBITANT

Growers had to foot the entire bill on the A-Team program, and it has been an extremely costly venture. The Secretary of Labor has spent the growers' money as though it were Government money.

Even though the growers received youth under the program—and some of the A-Teamers were mighty young—the growers had to pay them on the same basis as adult farmworkers. The growers had to provide each worker no less than 24 hours' training and a 40-hour trial period—a total of 64 hours—at \$1.40 per hour. Thereafter, if A-Teams could be placed on piece rates if by record it was proven the worker's pro-

ductivity was determined to be below that of the average qualified farmworker.

In Salinas, Salinas Strawberries guaranteed \$1.40 for the first 64 hours, then put the A-Teams on piece rates. In Blythe, the growers paid the workers on the basis of \$1.40 throughout the contract plus an added bonus of 10 cents a crate for melons picked and an additional 5 cents a crate if the A-Teamer stayed throughout his contract. The Blythe growers added the per crate bonus in an attempt to provide an incentive for the youngsters to work. Stockton growers, who used the A-Teams mostly in weeding and thinning operations, paid the young workers on the basis of \$1.40 an hour throughout the program.

But the productivity of the A-Teams was not on a par with the average qualified farm worker. Nat Scatena, president of the Stockton Growers' Group, Inc., which managed the teams for growers in the Stockton area, ranked their productivity at .56 percent that of a qualified farmworker.

All growers interviewed reported they were having to pay for considerably more productivity than they were getting.

In addition, the coach or adult accompanying the team had to be paid on the basis of \$4 per team member per week. Teams averaged 30 members each, thus the coach or accompanying adult received about \$120 per week. The duties of these persons were not clearly defined. In the Salinas area they occupied the role of chaperones—staying in camp during the day while the boys were out in the fields. This meant the grower had to hire supervisors to work with the boys when in the fields.

In Blythe, the growers stated they were afraid to go along with the \$4 per head per week arrangement since they believed it to be in violation of the labor contractor regulations in this State. So the growers made an arrangement with the coaches and other adults accompanying A-Teams to accept a salary of \$25 per day (about \$175 per week) and supervise the boys in the fields as well as chaperone them in the camps at night. Of course, the Blythe growers also had to maintain some field supervisors, since those accompanying the A-Teams knew nothing about picking melons.

(Editor's note: Farm Bureau's Secretary to the Labor Committee Tom Richardson points out that while paying the coaches on a fee-per-worker basis makes them labor contractors under the definition of California regulations, the A-Team program, a Federal project, would undoubtedly be exempt from State regulations.)

In Stockton, the A-Team coaches went into the fields to work beside their boys, but the growers' association also maintained its regular field supervisors.

In all areas, the supervisory costs on A-Teams were above, and in most instances about double, those required with adult farm labor.

Besides these costs, the growers were responsible for the transportation and subsistence to get the A-Teams to and from their hometowns. Growers stood the cost one way if the worker completed 50 percent of his contract, both ways if the A-Team worker completed his entire contract (contracts ranged from 4 weeks in the Blythe area to 6 weeks in Salinas).

As previously mentioned, out-of-State schools closed in late May, ahead of the California schools, therefore the A-Teams from other States got the jobs here and the growers were stuck with the costs of bringing them in.

Salinas received 26 teams—only 5 of which were from California. The remainder, according to records at the Salinas farm labor office, included: 10 from New Mexico; 3 from Utah; 2 from Kansas; 2 from Iowa; 2 from Idaho; 1 from Nebraska; and 1 from Wyoming.

When a grower starts transporting teen-

agers round trip from as far away as the midwestern States and paying for their meals en route, it is costing him a minimum of around \$100 per youth, or an average minimum of \$3,000 per team. And many of the growers found themselves paying for transportation costs both ways whether the youth completed his contract or not, because something had to be done with these teenagers.

As Pihl pointed out, "You can't abandon minors on the streets."

In addition, the \$2.25 allowance for meals did not cover the costs incurred in providing menus to meet those dictated under the program. Besides paying the room costs, the growers were having to underwrite the food costs of their A-Teams.

According to Pihl, Salinas Strawberries will have lost about \$75,000 out-of-pocket costs on this program by the end of the season.

Blythe Growers, Inc., had just finished its melon-picking season when interviewed and had not as yet assembled all A-Team costs. However, Manager Jess Barcala said growers' costs will run between \$35,000 and \$40,000 exclusive of wages and supervisory, State compensation, and social security costs.

But there was more of a loss to the growers than reflected in the aforementioned costs. Many also lost portions of their crops. Mother Nature was extremely cooperative this year in California. It was a good year weatherwise for summer-harvest crops. But even though the yields were abundant and the weather held just right, giving the grower prospects of harvesting top yields per acre, these yields failed to materialize.

Dan Riggi, supervisor for the J & A Farms in Blythe, for example, said his firm lost 40 percent of its crop of cantaloupes in the field. This year's workers, including A-Teams, left that many melons behind in the fields.

ADDITIONAL HEADACHES

There were headaches in the program over and above the financial ones, too.

The program in the Salinas area got off to a bad start. It had been misrepresented to the boys as to the type program it was, as to living conditions, and as to wages to be received. Salinas Strawberries received nine times the number of boys they had anticipated under the program. The camps leased for the boys were up to State standards, but not up to the boys' standards. The majority of the cooks had been accustomed to cooking for braceros, and the boys complained bitterly of the food's greasy and spicy quality. At one camp, the cook was changed four times in an attempt to satisfy the boys, but they were still complaining.

The attrition rate on the A-Teams in Salinas was extremely high. Some teams, as soon as they saw the camps where they would be living and learned they would go on piece rates after the training and break-in period, simply picked up and went home, according to Art Klein, Monterey County farm labor representative, State department of employment, Salinas.

One team from the Salesian High School in Richmond, Calif., left 3 days after arrival, Klein said. Another, from Newcastle, Wyo., left the fifth day after arrival, and two teams from Los Alamos, N. Mex., left 10 days after arriving. The Salinas area started the season with 868 A-Team members. The number had dropped to 322 by July 19, Klein reported. Of those leaving by July 19, only one team left because it had completed its contract—and not all of its members had stayed through the contract period. Only one team—the one from Waterloo-Cresco, Iowa—still had the same number it had arrived with, Klein stated.

An interview later in the day with the coach of the Waterloo-Cresco team—Charles O'Brien—revealed some of the reasons why the team was still together. The majority of the team members were O'Brien's own boys—junior and senior athletes who would be working under him this coming year. Be-

forever getting into the program, he said he held a meeting with the boys and their parents and essentially unsold them on the program. He presented it the way he saw it, not the way it had been built up by the recruiter.

Upon arrival here, O'Brien said he stuck to his guns until his boys were transferred into the best camp in the area. He worked out a split-the-cost arrangement among the boys on chartering buses and took the students around to see some of California on their weekends off. He coached them in sports each evening and said he tried to build a team spirit among the boys, a determination to stick out their contract. Besides having the only team with as many members as it started, O'Brien's team also had the fewest hours lost off the job—just 2 days missed because of illness.

But the success of Coach O'Brien and his A-Team definitely was the exception in Salinas. Another coach interviewed there—Merle Johnson of Wlchita, Kans.—had started out with 36 boys from Wlchita, 3 of whom he knew previously. Half of these boys, Johnson reported, went home the first week. When interviewed, he was the coach for the remnants of four teams which had been put together to make one.

Most of the A-Team members who stayed on in Salinas were disillusioned with the program, it appears. These youngsters were looking for a means to release their pent-up frustrations over a program which hadn't turned out to be anything like they thought it would be. A number took out their frustrations on each other in scraps. Some took out their feelings on the camp facilities, breaking windows and causing other damage. Two hundred of the boys took part in a food throw-in in the messhall at one camp.

Reports on the living conditions and rumors of all sorts and altercations reached home to the parents who understandably became alarmed and either sent money for their youngster to return home or complained to their elected representatives to do something about the program.

The U.S. Department of Labor had assigned five of its men to live one to a camp in the Salinas area to try to keep the lid on the program there. Of two of these interviewed, one, a young man, admitted he didn't have much patience with the growers in correcting conditions in the camps and was taking boys down to file complaints with the local labor commissioner.

According to Salinas Strawberries, as of July 20, a total of 83 complaints had been filed against them before the local labor commissioner. Pihl, a relatively young man, commented, "It looks like I'll be in court the rest of my life over this program."

Besides the complaints before the local labor commission, Salinas Strawberries was involved in a hassle with the U.S. Department of Labor over the manner in which it is paying the A-Teams.

According to Pihl, the controversy revolves about the productivity of an average qualified farm worker. By its records from previous years, Salinas Strawberries maintains the productivity of the average qualified farm worker in picking strawberries is 1½ flats per hour. On the basis of \$1 per flat, their piece rate is higher than the \$1.40 hourly minimum set this year by the Secretary of Labor.

However, Pihl says the Department of Labor has challenged the 1½ flats per hour as being too high. The Department, Pihl said, eliminated all foreign workers but included all youth workers in establishing its basis for productivity of the average, qualified farm worker.

Pihl also pointed out that Salinas Strawberries was 3 weeks into the program before receiving contract forms. The forms have to be signed by the A-Team member, his parents, his coach or supervisor, and the

employer. On those members leaving in the initial portion of the program, Salinas Strawberries never had a contract. Of those remaining, they still don't have the contract on many, because they were sent to the parents for their signatures and haven't been returned.

The Blythe growers had relatively few headaches compared to the Salinas growers. Complaints and ruckuses were held to a minimum due to the day and night efforts of local Farm Labor Division Manager Jerry Smith and Blythe Growers' Manager Barcala, both of whom were determined their area was going to make a good showing in the program. Only 10 percent of the A-Team members there left before their contracts were up.

Stockton growers, who rented a good camp from a grower outside of town and put in basketball and baseball facilities, reported no complaints on the camp or wages paid. The problem was trying to get the growers to use the A-Teams, reports Scatena. (A-Teams had to be guaranteed work for three-quarters of the work days covered by the contract.)

There had been an influx of domestic farm workers into the Stockton area early this summer, the growers' labor management service president said. Growers were able to get adult workers at costs of \$1.75 per hour including wages, transportation to the job and insurance costs. Consequently, he said, they weren't anxious to use the A-teams at costs about double that amount. But, as it turned out, the A-Teams didn't like the work and left before completing their contract.

IN SUMMARY

Although bitter over the mishandling and costs of the program, every grower interviewed said he would hire youth again—but to a man, each qualified the statement by adding "only if the U.S. Department of Labor has nothing to do with the program."

All in all, the A-Team program in California can only be described as a botch. California agriculture and the Farm Labor Division have a real job on their hands if they are to salvage their youth farm work program for future years after the setback the program received this year at the hands of the U.S. Department of Labor.

Mr. MURPHY. It is important to remember that the farmers had been assured that if they cooperated with the Department of Labor, followed the Secretary's criteria, and then it was still seen that they needed foreign help, that help would be forthcoming. Secretary Wirtz had personally assured that no crops would be lost for lack of foreign labor.

Each time attempts were made hopefully to cause the Secretary of Labor to see the error of his plan, they were greeted with new criteria, new conditions, and always the coercive threat that if the farmers did not accede to these demands, the farmers would never get any foreign help. It would almost seem that the Secretary was determined to destroy the farming industry, and the evidence of his reckless, arbitrary decisions crowds my office daily. The largest shipper of melons may have to go into bankruptcy. The largest grower of boysenberries has failed and sold out. The best known grower and packer of nectar peaches has lost everything he has spent 30 years in developing. The largest grower of tomato plants is in desperate straits—all due to the lack of farmhands for harvest—and this is only the beginning of the story.

Now that the peak of the harvest is here, the farmers are still being told to recruit domestics at a cost of over \$100 per head for transportation, wherever they can be found west of the Mississippi River. In one instance, the Department said that the Dallas region had 2,500 workers available, but after 3 days of intensive recruiting by Federal, State, and private teams only 76 workers had been found. Only last week, the farmers in the Watsonville area of California were told that they should go to Poplar Bluffs, Mo., for 650 available workers. Recruiters went there and found 13 people to interview, 3 of them children, one with a broken arm, and 2 of whom said they could not do the work, with the result that a grand total of 6 workers was hired. Then the teams went to Springfield, Mo., where they interviewed 17, of whom 14 were hired after 3 had rejected themselves. The teams are still trying to find 12 more workers in order to make up a 32-man bus. This is not good business.

In summary, I can truthfully say that there has been a determined and extremely costly effort made by all concerned, both Government and growers, to implement the Secretary of Labor's theories, and we must finally come to the inevitable conclusion that the plan will not work. Everyone seems ready to admit this and to do what can be done to repair the damage except the Secretary himself. The San Diego Union of September 1 summarized the experiment very well, and I ask unanimous consent that this editorial be made part of the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the San Diego Union, Sept. 1, 1965]
TOO FEW BRACEROS IN STATE—MORE FARM LOSSES ARE FEARED

In a candid but apt statement a California farmer recently observed that officials seeking nonexistent American labor for farmwork would do more good if they went to work in the tomato fields themselves.

It is a strong observation that has just enough validity to make a point worth noting.

The point is that in spite of top-level and continuous efforts since cancellation of the bracero program, prematurely last December, there still is a severe and serious shortage of farm help.

Recruiters seeking thousands of workers throughout the Nation are finding only scores willing to work or available for employment. In the meantime, crops worth millions of dollars have rotted in the fields because there was no help to pick them. The price of farm table food has risen dramatically, and even Mexico has been hurt by losing the millions of dollars braceros returned to that nation each year.

The situation is still the same today as the California tomato crop approaches peak harvest.

Secretary of Labor Willard Wirtz now has belatedly authorized a total of 18,400 foreign nationals to help harvest the late tomato crop. While it is a step in the right direction, it still is inadequate. By knowledgeable estimates at least 23,000 to 25,000 braceros are needed to help harvest the tomato crops that are now on the vines.

The dictatorial attitude of the Secretary of Labor, in refusing to permit the additional help, is unreasonable and beyond understanding. It was only last April that the

Secretary assured California farmers that if they planted tomatoes he would guarantee the necessary help to pick them.

On the basis of his word, California farmers planted 116,000 instead of the 80,000 acres of tomatoes they had planned. The 116,000 acres, incidentally, is a sharp reduction from the 143,000 acres of tomatoes the previous year.

In spite of the reduced acreage, the labor to harvest the vegetable still is not available and no amount of official statements can hide the fact.

The fact that there are fewer braceros working in the fields this year is not a matter of pride if it means that crops rot or that farmers plant less or move their operations to Mexico.

If pressure from the farmers, housewives, and concerned people cannot move the obstinate Secretary of Labor the case must be brought to the President and Congress.

As a first step, all possible steps must be taken to save the remainder of this year's crops in California. This will require at least several thousand additional braceros immediately.

On a longer range basis Congress should institute some modified form of bracero program that assures U.S. nationals who want to work in the fields of first priority for jobs but does not exclude use of American neighbors if they are needed.

Mr. MURPHY. Mr. President, the mathematics produced by the Labor Department would confound that most extravagant computer system. It has been pointed out with pride that there are 10,000 to 15,000 more domestics on California's farms at one point this year than there were at the same time last year. At the same time, however, there were 40,000 to 50,000 fewer foreign workers. Considering that the Secretary himself admits that it takes 13 domestics to replace 10 foreign workers—and our experience would indicate a much higher ratio—simple arithmetic will show that our farmers are short 50,000 or 60,000 workers.

What the Secretary's figures do not show also is that of the 12,000 to 15,000 so-called domestics newly on our farms this year, many, perhaps all, are really Mexican nationals who are permitted in because of their special green cards. Nor do the Secretary's reports reflect the fact that 17 employees of the employment office, which is responsible for compiling figures on farm placement, have either resigned, been dismissed, or fired because of admitted padding of their figures. This is a scandalous situation, the full extent of which has not yet been uncovered, I understand.

For a moment, I should like to summarize the direct losses I have already mentioned: \$15 million in tomatoes, \$10 million in strawberries, \$10 million in asparagus, and \$2 million in citrus.

It is not yet possible to obtain figures on melons, brussels sprouts, lettuce, peaches, pears, grapes, pickles, olives, onions, and all the rest of the specialty crops, but I assure you that the cost will be very staggering indeed.

I ask permission at this point to have printed in the RECORD a letter from Salinas Strawberries, dated August 24, 1965, the article from the September 1965, California Farm Bureau Monthly concerning asparagus losses, and a tele-

gram to me dated September 9, 1965, from Jack Bias, of the Grower, Shipper, Vegetable Association in Salinas.

There being no objection, the letter, article, and telegram were ordered to be printed in the RECORD, as follows:

SALINAS STRAWBERRIES,
Salinas, Calif., August 24, 1965.

Hon. GEORGE MURPHY,
U.S. Senator, Senate Office Building,
Washington, D.C.

DEAR SENATOR MURPHY: I think the following statements will be indicative of what can happen to the tomato industry in California for 1965.

Following, in brief, are the facts from Salinas Strawberries balance sheet and P. & L. as of June 30, 1965:

	1964	1965
Current assets.....	\$2,283,165.00	\$1,235,772.83
Current liabilities.....	\$1,963,942.23	\$516,231.09
Sales:		
Freezer.....	\$1,583,710.24	\$2,121,296.00
Fresh.....	\$3,380,254.06	\$1,175,206.04
Total sales.....	\$4,963,964.30	\$3,296,502.64
Net income.....	\$732,429.50	(\$96,860.47)
Cost per pound (all costs except G. & A.)	\$.1379	\$.1780
Harvesting labor (only).....	\$.0820	\$.1025
Production, in pounds:		
Freezer.....	11,312,216	10,962,622
Fresh.....	13,815,669	4,442,046
Total.....	25,127,885	15,404,668

It is evident from these figures that 10 million pounds of strawberries went to pay for sociological experiments for the unemployed, and also in the complete unconcern by the Department of Labor for growers in California.

We presented documented proof of need for supplemental help and were granted that help—4 weeks too late.

Those 10 million pounds should have made 12 million pint baskets of berries which in turn should have fed 24 to 30 million school children breakfast on Sunday morning.

However, they went to rot in the field. How much were they worth retail? Probably 50 cents per pint in your supermarket in the spring. This is \$6 million of gross revenue loss in the economy by one grower.

I am appalled at what can happen to the tomato industry if they are treated as we were.

Perhaps a best seller sequel to "Six Days in May" will be written called "Thirty Days in September." It could depict the collapse of an entire industry due to the whims of somebody either in, or behind, the Department of Labor.

I hope this information can be of some use to you.

Best regards,

TOM McNAMARA.

[From the California Farm Bureau Monthly]
INADEQUATE SUPPLY OF LABOR THIS YEAR
CRIPPLES ASPARAGUS INDUSTRY
(By Betty Yater)

This year's inadequate supply of labor dealt a crippling blow to the asparagus industry in this State regardless of what the Secretary of Labor says about there having been "no serious shortages" of labor and only "some small crop losses" thus far this year in California.

Harvested asparagus acreage in the Sacramento and San Joaquin Delta area was approximately 41,000 acres this year compared to 58,000 harvested in 1964. On the 41,000 acres, growers harvested an average of between 35 and 40 percent of the yield.

This year's pack of white asparagus, which accounts for 60 percent of the crop annually, was less than half that of last year. This represents a minimum loss of \$6.7 million to growers on white asparagus alone.

Such acreage and dollar losses cannot be passed off as small.

The California Asparagus Growers' Association, with headquarters in Stockton, has just completed an initial assessment and evaluation of the 1965 season which brought out the above figures.

In expanding on the loss, Association Manager Bill DePaoli points out that asparagus beds don't start producing at their maximum until their third year. Some beds will remain top producers up to 10 or 12 years, he said. In order to keep the harvested acreage at about 60,000 high yielding acres, the growers in the past have ripped out and replanted between 4,000 and 5,000 acres of older beds annually.

However, with the outlook for an adequate supply of labor what it was in late 1964, DePaoli stated that an association-conducted survey shows that growers plowed out 16,263 acres last year and this acreage included many beds which were good producers.

This brought the acreage to be harvested in 1965 down to 41,000 acres. Out of the 41,000 acres, more than 16,000 went to farn or was either chopped, disced or reridged in hopes of receiving labor and was lost, the association manager stated. During the 1965 season about 12,000 acres of white asparagus was harvested where normally 24,000 acres of white is harvested. And of that harvested, growers were able to get off about 35 to 40 percent of the yield.

"Not only that, but growers are wondering how much they have damaged the remaining beds," DePaoli pointed out. "Asparagus is never disced back after it has once gone to fern. However, with the inadequate labor supply they had this year, the growers just couldn't keep up with the grass. It kept getting away from them and going to fern. In a desperate effort to try to salvage just a little more of the crop and cut losses, growers were forced into the position of discing down asparagus which was well into the fern stage. We don't know how this is going to affect the plants—it could materially reduce the yield in coming years. Some of the fields look pretty sick right now."

Continuing, DePaoli said that because of the 400 percent above normal plowout last year, the projected plowout for this year was expected to be on the low side. However, because of the losses incurred during this year's harvest season, DePaoli stated that a grower survey just completed places this year's plowout at a total of 12,000 additional acres—or an accumulated total of 28,263 acres for late 1964 and 1965.

"We're going into the 1966 season with about 30,000 acres—slightly over half the normal acreage of this crop," DePaoli said and sadly added, "It is a crop for which there is market demand. West Germany wants all the canned white asparagus we can ship her."

LABOR AVAILABLE WAS COSTLY

The asparagus growers not only were confronted with severe labor shortages, but their costs in using the labor that was available this year were very high, reports Nat Scatena, president of the Stockton Growers Group, Inc., a labor management organization which serves many asparagus growers in the area.

Growers' labor costs in harvesting this year came close to doubling those of a year ago, Scatena said. The people available were inexperienced and required additional supervision, their productivity was poor, and the grower had to guarantee a minimum of \$1.40 per hour. The attrition rate on these workers was extreme.

"The growers made every possible effort to find labor and tried everything that came along," the farm labor service president stated.

Last year 4,013 braceros were used in the harvest. This past season only 981 foreign workers were allowed to harvest asparagus.

Among the persons hired this year were day-haul workers; intrastate domestics recruited from Sacramento, Delano, and Bakersfield; and interstate domestics (both adult and youth groups) from Montana, Nebraska, Oklahoma, and Texas on which the growers footed the transportation costs.

The average number of man-work-days per individual on the intrastate workers was 2.7. To cite just a couple of the Stockton Growers Group's experiences with these men, on March 17, 15 men were received, on March 22 only 3 remained. These departed March 28. Another group—this one of 20 workers—was received March 20. On March 25, just one remained.

On their interstate recruiting, Scatena said on April 3, 66 American Indians of the Crow Tribe from Billings, Mont., were recruited and brought to Stockton at a transportation cost of \$2,904.50. Because their department during nonworking hours was unacceptable to the neighborhood, on April 13 the growers had to return those remaining at a transportation cost of \$2,316.

April 16, 72 Sioux Indians from Nebraska arrived on which the growers picked up a \$3,520 transportation bill. An additional group of 36 arrived on April 20 with a transportation cost of \$1,760; and the final increment of 10 Sioux arrived May 15 at a cost of \$479. The personal and work habits of the Sioux were no better than those of the Crow, Scatena asserted. Voluntary attrition was swift, however, and as of June 15, just one Sioux remained and was working, he added.

One adult group of domestics (37) was recruited from Muskogee, Okla. Of this group, 6 departed without working at all; 3 departed after 1 day's work; 2 departed the following day; 6 departed after 3 days' work; and after 6 days work, only 14 remained. In addition, Scatena commented, insobriety contributed to some no-work days.

Trying to harvest with this type labor force was bedlam. The harvest normally lasts 120 days and starts in mid-February. However, the asparagus has to be cut every day or two during this period which means the growers must have a stable labor force.

Losses of asparagus became so great that finally in mid-May the U.S. Department of Labor allowed the asparagus growers the use of 481 Japanese nationals already in the State and gave its permission to import 500 Mexican nationals. (Growers' records at the time showed a need for 2,000 supplemental workers.)

It wasn't quite as easy to make the arrangements to bring in the Mexican nationals as the Secretary of Labor had contended it would be. By the time the nationals did arrive in Stockton, in many instances it was just too late—the 'grass was too far along in the fern stage to be brought back.

However, since the growers had contracted for the nationals, they had to take them and provide work. One of the growers interviewed—Joe Cechini, who with his three brothers started the season with 1,500 acres of asparagus—said they had an out-of-pocket loss of \$50,000 this year. Some of this was accumulated by trying to use braceros after the asparagus was too far gone, he said.

CANNERS AND CANNERY WORKERS LOST

Besides growers' losses, the canneries, their workers and suppliers lost money this year because of the lack of asparagus to process. Tri-Valley Growers, a growers' cooperative, reported deliveries of asparagus down this year to less than half that of 1964. According to Philip N. Mark, Tri-Valley vice presi-

dent, this resulted in income losses to workers, members, and suppliers of \$1,372,000.

A breakdown of these losses shows:

1. Cannery workers lost \$232,000 in wages, contract benefits, and payroll tax contributions.

2. Raw-product payments to growers were reduced \$666,000.

3. Purchases of cans were cut by \$183,000.

4. Purchases of shipping cartons and labels were reduced by \$35,000.

5. Purchases of incidental goods and services were cut back by \$36,000 from 1964 levels.

6. Losses to Tri-Valley and its members as a result of the cutback were calculated at \$220,000. This amount would have been available to pay overhead charges and returns to members had this year's pack equaled last year's.

A field representative of another canner reported that his cannery operated two 8-hour and one 4-hour shifts per day last year during the asparagus pack. This year, because they couldn't get the raw product, they were down to one shift per day—averaging between 6 and 7 hours.

On the basis of statistics accumulated, the California asparagus growers estimate the loss to the economy resulting from the reduced asparagus harvest this year will amount to well over \$30 million.

GROWERS' REACTION

As to the future, the asparagus growers are waiting to see how the Secretary of Labor handles the tomato harvest. If the tomato growers get adequate labor supplies, asparagus growers interviewed say they probably will try to harvest again next year. If the tomato growers suffer the same fate as the asparagus growers experienced earlier this year, the grass men say they will plow out additional acreages and get by the best they can until the crash program now underway gets a mechanical harvester into the fields.

SALINAS, CALIF.,
September 9, 1965.

Senator GEORGE MURPHY,
Senate Office Building,
Washington, D.C.:

Wish to inform you present condition vegetable crops. Tomato harvest northern California greatly curtailed due lack of harvesting workers. Some cannery employees harvesting in morning in order cannery can operate in afternoon. Estimated tomato loss presently 25 percent. Slowness Department of Labor certifying Mexican nationals caused great deal this loss. Original certification for tomatoes northern California 8,000. Before these workers could be recruited from Mexico, Department of Labor increased certification. Although Mexico has cooperated fully and expedited recruitment orders for first 8,000 workers will not be filled until September 11. Before growers can receive their inadequate allocation tomato loss will be at least 35 percent. Central coastal area California provides large percentage fresh market tomatoes this time of year. Tomato growers furnishing fresh market production down 40 percent due to lack of harvest workers. First Mexican national arriving presently earning \$30 to \$40 a day which proves rate of pay very adequate. Growers Farm Labor Association received certification from California Department of Employment for 950 tomato workers and 1,000 strawberry workers on August 27. Department of Labor approved only 571 tomato workers. We will not receive any of these workers until September 12 due to recruiting procedures in Mexico. Strawberry harvest reaching peak of fall crop. Central California needs at least 1,500 workers. September 8 Department of Labor approved transfer 500 Japanese and 61 Filipinos for strawberries taking them away from pickle and tomato harvest in Stockton area which is also suf-

fering. We are more than pleased to receive these workers, however, less than half number required. Brussels sprouts growers central coast area produce 90 percent of brussels sprouts for Nation. They are in need of 650 harvesters. Have not received certification for any, resulting early crop loss. Other growers vegetables such as cauliflower, celery, carrots, lettuce, struggling with inadequate harvest crews which is causing curtailed work union employees on packing sheds. We predict that with tremendous losses this year, acreage next year will be greatly curtailed resulting increased consumer cost. Presently price fresh tomatoes shipping point \$5 which is at least double normal price, causing consumers to pay unwarranted high prices. Apparently California grower is forgotten man.

JACK E. BIAS,
Executive Vice President,
Grower Shipper Vegetable.

Mr. MURPHY. An article in the San Francisco Examiner of September 3 quotes a high Teamster official as saying:

Between 12,000 and 20,000 members of our union have been thrown out of work this summer by a decrease in farm production * * * many growers reduced their acreage in fear that they would be unable to get their crops harvested.

I ask unanimous consent that this article be printed in the RECORD at this point. It would seem that the figures of the Teamsters Union and of Secretary Wirtz are somewhat in disagreement.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CANNERY UNIONIST SAYS: "BRACERO CURBS COST JOBS"

(By Ray Christiansen)

For every bracero requested by a California grower and rejected by the U.S. Department of Labor, a California cannery worker has lost his job.

"Between 12,000 and 20,000 members of our union have been thrown out of work this summer by a decrease in farm production," it was reported yesterday by Peter Andrade, chairman of the Teamsters' Western Cannery Council.

"Many growers reduced their acreage in fear that they would be unable to get their crops harvested," he explained.

"Some of these and others who actually expanded their acreage this year were unable to harvest more than a fraction of their crops.

"With a shortage of field laborers, we don't know how we're going to come out in the tomato harvest."

SIXTY THOUSAND ACRES LEFT

Andrade, a Teamster International organizer, said there were 116,000 acres planted to tomatoes in California this year.

"Between 24,000 and 25,000 acres may be harvested by machine, and 30,000 acres by the Mexicans who have been permitted to come in," he said. "That leaves some 60,000 acres to be harvested by domestic labor."

Andrade pointed out that the Teamsters Union had recommended a gradual phaseout of the bracero program and had opposed the abrupt termination voted by Congress.

DOWN 40 PERCENT

A spokesman for the California Processors & Growers Association said:

"We estimate that the tomato pack will be down 40 percent this year. You can imagine the seriousness of this loss in wages when you realize that the tomato pack represents 70 percent of the farm products processed in California canneries."

The State Department reported yesterday that there is an immediate need for 14,000

additional tomato pickers in northern California.

The Department also reported that northern California growers, at the end of August, were employing 149,480 seasonal domestic (American) workers and 520 foreigners, compared with 142,780 seasonal domestic workers and 44,590 foreigners last year.

BIG NUMBER LOST

But the total number of farmers, unpaid family workers, regular employees and seasonal workers employed in agriculture last week was only 282,810—down a whopping 38,000 from August of 1964.

In other words, a 44,000 reduction in the number of braceros resulted in the creation of 6,700 farm jobs for Americans and the loss of more than 12,000 jobs for California cannery workers, truckdrivers, container employees and others.

Les Hubbard, spokesman for the Council of California Growers, said the 38,000 job loss figure, of course, did not include employment losses in such allied industries as trucking, containers and freezing.

Mr. MURPHY. It is, in short, a simple demonstrable fact that Mr. Wirtz' experiment to increase domestic employment on our farms has been a terrible, costly failure and that, in fact, by destroying agricultural production, he has reduced jobs in California this year. With 1¼ million jobs in California dependent upon agriculture, the potential mischief which could be caused by a continuation of the Secretary's policies is horrifying. The Secretary has also added to the age-old problem of illegal entry into California from Mexico, the full extent of which has not yet been assessed. I do have a letter from the Commissioner of Immigration and Naturalization Service indicating a 50-percent increase in the number of so-called wetbacks who have been returned to Mexico in the first half of this year, and I ask unanimous consent that that letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE, IMMIGRATION AND NATURALIZATION SERVICE,

Washington, D.C., September 1, 1965.

Hon. GEORGE MURPHY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MURPHY: In response to your recent letter, control of the Mexican border has become more difficult in recent months. The number of deportable Mexican aliens found along the Mexican border during the period January 1, 1965, to June 30, 1965, was 30,623 compared to 19,474 during the same period of the previous year. Nevertheless the Service has been able to cope with the situation and control of the border is being maintained.

The 1966 fiscal year budget contains no additional funds or positions for this purpose and no additional funds or positions are expected to be included in the 1967 fiscal year budget.

Sincerely,

RAYMOND F. FARRELL,
Commissioner.

Mr. MURPHY. I would also point out that many of our farmers have given up trying to exist under the Department of Labor and have already moved to Mexico—never to come back, taking with them badly needed jobs and millions of

dollars of payrolls. This, of course, has a bad effect on the balance-of-payments situation which has been so much discussed in this Chamber.

I submit that if I had not seen it I would never have believed it. Millions of tons of tomatoes, strawberries, asparagus rotting for want of hands to harvest it. There was no question of wages, Mr. President. A good man can earn \$20 to \$40 a day on our farms today. There was no question of willingness of the growers to cooperate. They spent thousands of dollars in an experiment they knew would not work simply because they were afraid of reprisals if they did not go along. Many farmers had been assured on the word of the Secretary himself that there would be no labor shortage in tomatoes—"go ahead and plant" they were told, and when they needed 25,000 workers for the harvest the Secretary grudgingly permitted only 8,000 at first and then later on when the pressure of politics entered the picture he added another 10,400 workers—and these, I might point out, are not yet in California—another case of "too little, too late"—so that one county has already lost almost half of its entire tomato crop.

And now, the worst news of all. We come to the inevitable conclusion that this fall and winter, when the housewives of America will have to pay for this unfortunate blunder every time they go to the market. The blunder is too big to be hidden, too important to be ignored—and too serious to be allowed to continue.

Mr. President, we have watched with dismay the experiment and I feel the time has come to call a halt and return the control of supplemental foreign labor to officials who know the facts of agriculture and are willing and able to assess the situation properly. As the distinguished Senator from Florida has so well stated, this is a problem of agriculture. The Secretary of Agriculture should have the responsibility and the knowledge to get the job done properly. I, therefore, urge all of my colleagues—on both sides of the aisle—not just the Senators from the 29 States who use foreign labor—but those from all States in the Union—because we all represent housewives and, most of all, we all want to do what is in the best interests of our Nation, and I do not believe an objective analysis of this year's events can leave any doubt that the best interest of the Nation is to be served by the retention of the amendment of the Senator from Florida, and a negative vote on the amendment entered by the Senator from Tennessee.

Mr. ELLENDER. I yield 20 minutes to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, I hope the Bass amendment to strike out section 706 of the pending bill will be defeated.

When I first began corresponding with Secretary of Labor Wirtz on this problem back in March, the Secretary was confident he could recruit enough domestic workers to harvest the crops both on the west and east coasts without admitting any of the Mexican and offshore pickers who formerly were brought in under the bracero program.

But since that time the Secretary has had to break down and admit the failure of his domestic recruiting program in several instances.

First, he agreed to let California bring in about 2,500 Mexicans to try to save the strawberry and asparagus crops, and I am informed that he has more recently authorized a much larger number to pick tomatoes. Later he agreed to let about 700 Canadians cross the line to pick apples in New England.

Similarly, in Virginia, the Labor Department started out on the assumption that it could find enough domestic unemployed in surrounding States to pick apples now ready to be harvested. But last Friday the Department again admitted failure by authorizing the importation of 300 foreign workers for the Shenandoah apple crop.

Although there are about 600 domestic apple pickers now in Virginia from other Southern States, they are reported to be not too happy with the life of an apple picker, and, from what I hear, they are not very proficient at it.

I would like to read a letter from one of my constituents, who knows something about the problem and who wrote me as follows:

I have followed in the newspapers your efforts to secure an adequate picking force for Virginia apples. The Secretary of Labor may say that they should be given an opportunity to learn how to pick apples, but you can't teach old dogs new tricks, and the so-called pickers I saw were too old ever to learn.

They were averaging 20 bushels a day. Good pickers can average up to 150 bushels a day. At the going rate of 15 cents a bushel, these pickers pick \$3 worth in 8 hours, for which we have to pay them at \$1.15 an hour, a total of \$9.20, so we are losing at the rate of \$6.20 a day. No doubt, in due course, these figures will be presented to you by the Frederick County Fruit Growers' Association.

In his first letter to me on March 9, Mr. Wirtz said:

We are convinced that domestic workers will work in agriculture if satisfactory wages and working conditions are provided.

What this apparently means is that the Labor Department may be able to induce enough domestic unemployed to go out into the country and do harvesting work for which they have no experience, if the growers will sustain the loss resulting from their lack of training.

I should like also to read part of a letter Delmer Robinson, Jr., chairman of the Virginia State Apple Commission, wrote to President Johnson last March. He wrote as follows:

Canadian apples come into our country picked by foreign workers to compete with our apples. Mexican onions and strawberries picked by foreign workers are available now to American consumers. Bananas and meat grown by foreign workers arrive daily at our ports to compete with American-grown products.

Promoters bring in entertainers, such as the Beatles, and movie and stage actors from foreign countries to work where Americans are available. Foreigners populate our major league baseball and hockey teams. Many jockeys on our major race tracks are from other lands.

These people are applauded for their work. They take millions of dollars out of our land. Yet are they any better for America than

the mundane apple picker, cane cutter, or vegetable worker who is also an expert in his field?

We all know that in recent years there has been an exodus of workers from the farms to the cities, and this has occurred in Virginia as well as other parts of the country.

One large apple producer informed me that, according to Census data, the number of farmworkers in Virginia declined more than 44 percent during the decade ending in 1960. This producer estimated that in the past 5 years there has been a reduction of at least an additional 25 percent.

On March 18, I sent Secretary Wirtz an editorial which pointed out that for years 40 percent of Virginia fruit has been harvested by off-shore Bahamians; that 1,000 Bahamians were employed last season to harvest apples in just two Virginia counties of Frederick and Clarke, and the adjoining West Virginia county of Jefferson. The editorial also pointed out that it would take 4,000 unskilled domestic workers to do the same job, and, of course, 4,000 domestic workers in that area are not available.

On August 25, I forwarded to Secretary Wirtz the estimate of Charles S. Toan, executive secretary of the Frederick County Fruit Growers' Association, that Virginia would need 5,000 workers to harvest the current crop. In that letter I said to the Secretary:

Since your present top estimate of the number of apple harvesters that you can bring into Virginia is only 500, why can't you now authorize Virginia growers to bring in up to 2,500 foreign apple pickers? That will still leave a demand for five times as many domestic pickers as I think you will be able to furnish. The picking season for some types in Virginia will commence in early September, and it takes about 2 weeks to make the necessary arrangements to import workers from Jamaica or other off-shore islands.

Millions of dollars are at stake in a labor movement experiment which has not panned out in other areas and which is not going to pan out in Virginia, West Virginia, or any other apple State of the Atlantic seaboard.

Mr. President, you can see from Mr. Toan's estimate that the decision of the Secretary to let us bring in 300 is another case of too little and too late.

I have just been informed by J. Eldred Hill, Jr., commissioner of the Virginia Employment Commission, that his office made a final request for a total of 900 off-shore workers on a staggered basis, of which 300 have been approved. Virginia will need 350 more on September 18, so they can go to work on September 20. We will need 250 more as the crop increases, on September 25 to go to work on September 27.

These estimates assume that the domestic workers who have promised to come through our State recruitment show up. The Labor Department has promised to review Virginia's situation toward the end of this week, but that would be too late. The Department should be reviewing it now if we are going to get the next group of 250 on time.

Virginia needs almost 1,000 off-shore workers right now.

Mr. President, the sum total of the whole matter is this: The Department

of Labor has been tried and found wanting in the matter of furnishing the technical advice with respect to the number of foreign workers needed to harvest row crops and fruit in this country.

The Senate ought to defeat the motion of Senator Bass, of Tennessee, and thereby keep in the bill the committee provision sponsored by Senator Holland, of Florida, transferring to the Department of Agriculture jurisdiction over the number of farmworkers to be imported for this seasonal work.

This is a logical transfer of authority because Agriculture deals with farm problems, while the Labor Department deals with industrial problems.

Anyone who thinks that an industrial worker would be just as good on a farm, or that an unemployed city boy who has never had any experience in anything can be any good as a farmworker, just has never done any farmwork.

Successful farms are not operated by men without brains; successful farmwork is not done by men without training. The Department of Agriculture is close to the growers of fruit through the operation of our land-grant colleges, our extension service, our county agents, and our crop reporting service.

All these services are Government workers, just as are the workers in the Department of Labor, but they have dealt with farm problems and have been trained to do that type of work. And I am convinced that the Department of Agriculture could do the necessary job for one-tenth of what it has cost to do an inefficient job by the Department of Labor.

Since this was a new activity for the Department of Labor it asked for a budget in this current year to recruit workers of \$40 million. To me that was simply an astounding amount to recruit workers to harvest citrus fruits in Florida; row crops, lemons, dates, and tomatoes in California, and apples in New England and the Middle Atlantic States.

But was that enough? It certainly was not. We have recently passed a bill, when the budget year is only 2½ months old, giving the Department of Labor an additional \$1.7 million for this work. I am not at all sure that early next year the Department will not ask for another large supplemental appropriation, unless, of course, we transfer this function to Agriculture.

And, to me, another astounding fact is that when the Appropriations Committee had under consideration the request for a supplemental amount of \$1.9 million—which was cut to \$1.7 million—to locate the unemployed in one section and transfer men to another section for farmwork, I asked for a report on what had been accomplished up to this time.

I got one report which the experts on our committee staff said was absolutely meaningless. I insisted on another report and finally got one which attempted to enumerate the number of workers who had been recruited, but which showed nonreliable statistics as to who actually went to any particular job, and how long they stayed after they got there. And, of course, the report showed nothing on the crops that had been lost

through failure of the Department to furnish the domestic workers as it had promised to do.

An indication of how big that loss has been in California has just been given us by our distinguished colleague from that great State, Hon. GEORGE MURPHY.

In the Appalachian area of Virginia, Maryland, and West Virginia we have an exceptionally fine apple crop. In spite of some drought, the quality of that fruit is good and the size of the crop is above average and, with the current rains, it is daily improving. But, unless we can get enough workers to pick those apples the growers in the Appalachian area will suffer heavy losses.

For a bushel of apples that go into the commercial market as U.S. No. 1's the growers this fall will probably receive \$2.50 or \$3 a bushel. If those apples drop to the ground and then go to the canners and to the cider plants, the growers will get \$1 a bushel or less.

This all adds up to one of my favorite Thomas Jefferson maxims: "If we have to look to Washington for advice as to when to sow and when to reap, we will soon lack bread."

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Colorado [Mr. DOMINICK].

Mr. DOMINICK. Mr. President, I support section 706 as it is included in the bill. I do so because I have made a fairly extensive investigation, not only following along on the groundwork done by the Senator from Florida [Mr. HOLLAND] and the Senator from California [Mr. MURPHY], but by following up suggestions from my own State.

I have received a series of letters in response to inquiries I made of the Colorado Department of Employment and various companies. I think the letters will prove to be important so far as the overall debate is concerned. The first letter I received was from the Department of Employment of the State of Colorado. I shall read a portion of it for the understanding of all Senators. It is helpful in determining the merits of the amendment now being considered:

Farmers are reluctant to use school youth in caring for, handling, and harvesting their crops.

Most farmers feel that the guarantee of \$1.30 per hour to these workers is unreasonable and they would rather divert the planting of their land to crops other than those demanding large numbers of workers, than to depend upon school youth, particularly at the high wage established by the Secretary. Last year under the 90-cent-per-hour criteria established by the Secretary of Labor, three pilot crews of school youth were used. In order to make this possible, I contacted the Great Western Sugar Co., Holly Sugar Co., and Western Foods and asked them if they would underwrite any differences between the amount school youth earned and the 90-cent-per-hour rate. All of these companies mentioned had to make up a rather sizable deficit. When this was brought to the attention of the Federal officials their reply was that these young people had not been properly supervised and motivated and since under the Secretary's criteria it was the responsibility of the farmer to employ individuals who would properly supervise and motivate these workers, it would be necessary that we endeavor to work youth in the fields. There are some firms who are willing to employ the youth but not

any large number of youth have been used. There are some areas in the State where some firms have used youth this year, as in the past, but these instances are few and scattered.

If conditions are normal next year, and if we have a normal spring, we will have very serious labor problems.

Mr. President, I was sent an article entitled "Buffalo Macaroni Firm Buys Tomatoes in Portugal," which was published in the July 31 issue of the *Packer*. The article was sent to me by a friend, Mr. John Ewing, who is prominent in agriculture at La Salle, Colo.

This clipping is entitled "Buffalo Macaroni Firm Buys Tomatoes in Portugal." It states in part as follows:

Due to restrictions on Mexican pickers, there either aren't going to be as many tomatoes processed in California this year, or the price is going to be out of line. So Horace Gloia, president of Gloia Macaroni, has been shopping in Europe for tomatoes.

Mr. Gloia is just back from Portugal and he says he'll buy about \$150,000 worth of Portuguese tomato products this year, the closest thing he can find to California's. While he was there, he said, he ran into other big tomato shoppers like Campbell Soup, literally being forced to spend their money abroad and found that H. J. Heinz even has set up a plant in Portugal.

This is all because of the problem that we are having in obtaining a sufficient number of laborers to harvest, plant, thin, and cultivate the agricultural crops, which have overwhelmingly surpassed the technological development of any other country in the world.

I have received a letter from the Holly Sugar Corp., which does business not only in my own State, in which its home offices are located, but also all over the country.

In reply to my letter, the vice president for agriculture of that corporation says, in part:

Farmers in western Colorado did reduce their beet plantings this season, even below the limitations of the Sugar Act program, because of the uncertainties of the labor supply as well as the increased costs and confusion created by the Secretary of Labor's criteria. The necessary \$1.30 per hour earnings guarantee for beet field workers in Colorado, together with the uncertainty of the quality and productiveness of such labor, caused quite a number of our growers to drop their beet acreage allotments and turn to other crops not requiring hand labor.

Beetfarmers were not willing to accept the organized youth programs for their labor needs because of the apparent unwillingness of these young people to do sugarbeet field work, and their productivity did not seem to warrant the payment of the required guaranteed hourly wages. The overhead costs of the training and supervising necessary in such programs was too great to be added to the farmers' other operating costs. There are a few examples of good work performance when young people could use their own initiative to arrange their groups and working conditions at piecework rates.

The uncertainties and obvious conflicts in the rules publicized by the Department of Labor and by the USDA Sugar Division caused a number of farmers to give up sugarbeet growing entirely, at least for the 1965 season.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMINICK. Mr. President, I ask that I may be permitted to continue for 1 additional minute.

Mr. ELLENDER. Mr. President, I yield 1 additional minute to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 1 additional minute.

Mr. DOMINICK. Mr. President, I am also in receipt of a letter from the Safeway Stores, Inc. This letter is from Mr. Robert Campbell, president of the Denver division of Safeway Stores, Inc.

The letter reads in part as follows:

Upon receipt of your letter, I directed inquiries to our personnel who work in this area. Needless to say, they expressed great concern regarding the migrant labor situation. They reported that produce had "rotted in the fields" due to lack of labor and that in some instances inexperienced help, both in the fields and grading sheds, contributed to the damage. Of course, as you know, time is a very important element in harvesting such crops and the product is lost if labor is not available.

As you indicated in your letter, there are other factors which contribute to the increase in the price of vegetables. For example, bad weather. One of the veterans in the business said that this is "the worst year in 30 to 40 years."

I hope this information will be helpful to you in your evaluation and I, too, look forward to seeing you this fall.

Mr. President, I ask unanimous consent that the clipping and letters to which I have referred may be printed at this point in the RECORD.

There being no objection, the article and letters were ordered to be printed in the RECORD, as follows:

BUFFALO MACARONI FIRM BUYS TOMATOES IN PORTUGAL

BUFFALO, N.Y.—The Federal Government is complex and sometimes its policies get in the way of each other.

In the interest of solving the balance-of-payment problem, the Government wants individuals and business to spend fewer dollars outside the country. At the same time, in hope of putting more unemployed Californians to work, the Government has tightened restrictions on importation of harvest workers from Mexico.

Caught in the squeeze between these two government desires is Buffalo's \$5 million a year Gloia Macaroni Co. which uses nearly 2,000 tons of tomatoes and tomato paste a year and usually gets the kind it needs in California.

Due to restrictions on Mexican pickers, there either are not going to be as many tomatoes processed in California this year, or the price is going to be out of line. So Horace Gloia, president of Gloia Macaroni, has been shopping in Europe for tomatoes.

Mr. Gloia is just back from Portugal and he says he'll buy about \$150,000 worth of Portuguese tomatoes products this year, the closest thing he can find to California's. While he was there, he said, he ran into other big tomato shoppers like Campbell Soup, literally being forced to spend their money abroad and found that H. J. Heinz even has set up a plant in Portugal.

HOLLY SUGAR CORP.,

Colorado Springs, Colo., August 2, 1965.

Hon. PETER H. DOMINICK,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR DOMINICK: This is in reply to your letter of July 21 to Mr. Dennis O'Rourke regarding the effects of farm labor problems on our current sugarbeet acreage.

Farmers in western Colorado did reduce their beet planting this season, even below the limitations of the Sugar Act program, because of the uncertainties of the labor sup-

ply as well as the increased costs and confusion created by the Secretary of Labor's criteria. The necessary \$1.30 per hour earnings guarantee for beet field workers in Colorado, together with the uncertainty of the quality and productiveness of such labor, caused quite a number of our growers to drop their beet acreage allotments and turn to other crops not requiring hand labor.

Beet farmers were not willing to accept the organized youth programs for their labor needs because of the apparent unwillingness of these young people to do sugarbeet field work, and their productivity did not seem to warrant the payment of the required guaranteed hourly wages. The overhead costs of the training and supervising necessary in such programs was too great to be added to the farmers' other operating costs. There are a few examples of good work performance when young people could use their own initiative to arrange their groups and working conditions at piecework rates.

The uncertainties and obvious conflicts in the rules publicized by the Department of Labor and by the USDA Sugar Division caused a number of farmers to give up sugarbeet growing entirely, at least for the 1965 season.

The critical importance of maintaining maximum beet plantings to preserve the beet sugar industry in western Colorado is of serious concern to the farmers who are continuing to plant their own full allotments.

Holly growers in western Colorado have reduced their beet plantings by some 1,200 to 1,500 acres because of labor problems. However, the overplantings by certain farmers who are trying to maintain the sugar industry have held the net loss of acreage to about 8 percent of the total western Colorado area allotment.

Our beet growers have made some good progress in their effective use of improved seed, planting methods, chemical weed control, and mechanization, but they must have a dependable supply of the still necessary field labor, at reasonable costs, if they are going to continue to plant sugar beets.

This problem is of serious importance to Holly Sugar and to its contract beet growers in western Colorado. It also applies, with particular emphasis, in California and in Wyoming where we are also confronted with significant beet acreage reductions this year because of field labor problems and costs.

Very truly yours,

GLEN W. YEAGER,
Vice President, Agriculture.

SAFeway STORES, INC.,
Denver, Colo., August 13, 1965.

Mr. PETER H. DOMINICK,
U.S. Senate, Washington, D.C.

DEAR PETE: Thank you very much for your letter of August 5 inquiring about the lack of "stoop" labor as it involves such products as beets, tomatoes, potatoes, etc.

Upon receipt of your letter, I directed inquiries to our personnel who work in this area. Needless to say, they expressed great concern regarding the migrant labor situation. They reported that produce had rotted in the fields due to lack of labor and that in some instances inexperienced help, both in the fields and grading sheds, contributed to the damage. Of course, as you know, time is a very important element in harvesting such crops and the product is lost if labor is not available.

As you indicated in your letter, there are other factors which contribute to the increase in the price of vegetables. For example, bad weather. One of the veterans in the business said that this is the worst year in 30 to 40 years.

I hope this information will be helpful to you in your evaluation and I, too, look forward to seeing you this fall.

Sincerely,

R. L. CAMPBELL,
Vice President.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Arizona [Mr. FANNIN].

The PRESIDING OFFICER. The Senator from Arizona is recognized for 5 minutes.

Mr. FANNIN. Mr. President, I appreciate the courtesy of the Senator from Louisiana in permitting me to make a statement in behalf of the amendment.

I commend the distinguished Senator from Florida for his informative remarks on the continuing farm labor problem.

I shall support section 706 of the farm bill, which is sponsored by the Senator.

Surely the experience of the past months has proved that the Secretary of Labor is more concerned with union positions than he is with the practical results of his administrative policies.

Philosophy is a fine thing, Mr. President, but it will not cultivate or harvest perishable food crops.

In his zeal to upgrade the wages and working conditions of domestic migrant labor, the Secretary of Labor has apparently overlooked the basic fact that millions of American consumers also deserve consideration. For that matter, so do the individual growers of such items as cantalopes, onions, tomatoes, and other produce.

A melon field under a blazing hot sun at harvest time—when timing and handling spell the difference between profit and loss—is no place to wage a social revolution by the stubborn insistence of Federal bureaucracy.

With the expiration of Public Law 78, the Department of Labor confidently assured agricultural employers that sufficient numbers of willing and able workers could be produced—at the right times and places—to meet all needs. Against the better judgment of men with lifetime experience in these matters, Mr. Wirtz said imported labor was no longer needed. In the beginning this was not apparent.

The record is now in from many parts of the Nation, Mr. President, and that record shows clearly that Mr. Wirtz was wrong in many instances.

The Department of Labor, indeed, managed to produce large numbers of potential workers. But their inexperience—and in many cases, their lack of motivation or willingness to work—brought about a severe decrease in productivity.

This is particularly true in some areas of my State of Arizona, where there is no substitute for the experienced kind of stoop labor so essential at harvest time.

Melons must be picked carefully and at the proper time, for example, and when that moment comes, there is not time to run a training course for people who are out in the field for the first time.

In all of the turmoil and argument on this issue, one significant point has been overlooked. During the hearings last year relative to the expiration of Public Law 78, the Department of Labor stressed the fact that millions of unemployed adults were available and eager to take over the jobs being handled by braceros from Mexico.

The Department did not mention students as a source of field labor at that

time. Then came the end of the bracero program, and we suddenly were told that teams of hardy teenagers were going to save the day.

With all due respect to the so-called A-teams, Mr. President, I submit the record has demonstrated that students are limited in their ability to meet the rigors of stoop labor.

There were some exceptions, of course, but I am informed that most of the growers are sadly disillusioned by their experience with the students as field hands. The brutal truth of the matter is that this is hard, hot, and demanding work—and it requires strong, mature, and experienced adults to do it.

Nearly all of the produce growers in my State are realistic and farsighted enough to know that permanent return fully to the bracero days just is not going to happen.

They also are aware that many of these crops may eventually be bred into varieties which can be machine cultivated and harvested, but that day is not here yet.

Meanwhile, during this interim period, the Department of Labor—in my judgment—is taking a very short-sighted approach in its consideration of the problems faced by growers of perishable crops.

These growers, whether they are large or small, are engaged in the most basic kind of free enterprise economy. By and large, they have thoroughly proved their ability to put an abundance of the world's best food onto the table of the American people—and at a price within the ability of nearly everybody to meet.

If we expect them to continue to place fresh produce on our tables economically, the Federal Government must realize and accept the necessity of imported experienced farm labor to meet peak seasonal needs.

This alone would be enough reason to support the position of the Senator from Florida.

I support this amendment of the farm bill.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the distinguished Senator from Ohio [Mr. LAUSCHE].

The PRESIDING OFFICER. The Senator from Ohio is recognized for 5 minutes.

Mr. LAUSCHE. Mr. President, I support the Holland proposal, which is included in the committee bill. I do so for a number of reasons and I shall try to set them forth in a series.

First, this issue involved in the dispute that is now taking place on the Senate floor is one primarily affecting the farmers and not the labor unions.

Second, the immigration bill under which imported labor would be brought into our country requires that they be brought in only when there is a finding that they are necessary to supply a farm labor want.

Third, the bringing in of farm workers from foreign countries does not mean that they will remain here permanently as a force competing with domestic labor.

Those are the primary reasons why I support the Holland amendment.

Now I should like to discuss some

paradoxes which appear to me to be connected with the Bass amendment.

Several months ago, on the floor of the Senate and the House of Representatives, there was debated the necessity of establishing an Urban Affairs Department in our Government. It was argued by the proponents of that measure that urban affairs are of a peculiar, unique nature, and therefore require a department separately manned by experts possessing knowledge of urban affairs.

That bill was passed. In the dispute pending on the floor today, however, it is said that the supply of labor to the farmer is primarily one concerning the labor unions, and not the farmers.

We are taking away, if the Bass amendment is adopted, the right of those who are fully informed to determine how this issue shall be settled. The Farm Bureau of the United States, the Grange of the United States, and other agencies contend that the present procedure, in which the Secretary of Labor determines what shall or shall not be recommended to the Attorney General, is wrong.

If there is anyone informed about what should be done, it seems to me that it should be the Secretary of Agriculture.

Is the Holland proposal fair? Does it take any powers away from the Secretary of Labor? The answer is that it does not. Every power of the Secretary of Labor remains intact. All that the Holland proposal does is give to the Secretary of Agriculture the authority and the power to determine first, how many workers are needed to supply a want of the farmers; second, the number of workers available; and, third, the deficiency. That is all that it does. I cannot understand how it can be argued that that function should be performed by the Labor Department and not by the Department of Agriculture. Is there anything more closely related to the economy of the farmer than the need for an adequate supply of labor? His whole sustenance, his whole life depends upon the planting, the cultivating, and the final harvesting of his crops. This means farmworkers related to the farm economy.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LAUSCHE. May I have 1 more minute?

Mr. ELLENDER. I yield the Senator from Ohio 1 additional minute.

Mr. LAUSCHE. He is the one who is primarily interested. This is an agricultural problem. It is not a problem of labor unions, and for that reason, the authority to determine whether there is or is not an adequate supply should be vested in the Secretary of Agriculture, and not in the Secretary of Labor.

Mr. MANSFIELD. Mr. President, I yield 3 minutes on the bill to the Senator from Kansas.

Mr. PEARSON. Mr. President, the Food and Agriculture Act of 1965 is an act of much disagreement but all those who have studied this measure will agree on one point, and that is that this is a most complicated measure. Title I deals with wheat, title II with feed grains, title III with rice, title IV with wool, title V

with cropland adjustment, title VI with cotton, and title VII provides for several miscellaneous provisions.

I direct my remarks, Mr. President, to the title dealing with wheat, but in so doing, I attempt to deal not so much with the specific provisions of this title, but rather with what I consider to be the fundamental problem of the wheat producer, that is, the problem of greater world markets for wheat.

Mr. President, every wheat program to date has been keyed to the U.S. domestic market. This market, however, is relatively stable in size. Yet we can produce vastly more wheat than we alone can absorb. Under these circumstances excess wheat production in relation to our own needs drives the price of wheat down. To avoid this, Federal wheat programs have been attempting to limit production, raise prices, and bolster farm incomes through the use of acreage allotments, production limitations, and price supports.

The important point is that only the size of the U.S. domestic market has figured in the formulation of domestic wheat programs. The export market has been, unfortunately, ignored. Yet new and expanded markets abroad mean greater demands for U.S. wheat. And as dollar sales of wheat increase in response to these markets the need for limitations on production and price supports could be relieved.

The increase in U.S. wheat production would, undoubtedly, lower the price of wheat in the United States. But if increased sales abroad were great enough they could more than offset any fall in the price per bushel—the net result being an increase in farm income. And income per farmer is the important thing.

Mr. President, Kansas has a vital stake in wheat sales abroad. In the 1963–64 season:

Kansas produced 185 million bushels of Hard Red Winter wheat.

The United States exported 656 million bushels of Hard Red Winter wheat and flour—more than was produced in the entire United States in that year.

As the largest producer of Hard Red Winter wheat, Kansas produces primarily for foreign markets.

Thus, while agricultural statistics show that wheat exports are up these same statistics show that our dollar earnings are down.

Prior to World War II, Western Europe was the only major area of the world which bought wheat from other nations. Since World War II, Asia, Africa, and Latin America have joined Western Europe as wheat importers. Today only two major areas of the world—North America—the United States and Canada—and Oceania—New Zealand and Australia—are able to produce more wheat than their populations require.

Asia, Africa, and Latin America contain 2 billion of the world's 3 billion people. By the year 2000, their combined population will increase another billion. Unable to feed themselves now, they will need to buy even more wheat from surplus wheat countries. Potential for-

eign markets for U.S. wheat are great and growing greater.

U.S. exports of all types of wheat and flour approached 860 million bushels in the 1963–64 season—an all-time high. Only 350 million bushels—less than one-half—were sold for dollars. In the current year, dollar sales of wheat to other countries will fall to only 150 million bushels—a 15-year low.

Thus, in the face of rising U.S. wheat exports, sales of wheat to foreign countries for dollars are actually decreasing.

Now, both public and private efforts—such as those of Great Plains wheat—have been directed toward expanding foreign markets. But the major factor in expanding wheat exports over the past decade has been the food for peace program. Exports under this program, however, are paid for by the U.S. Treasury and not by the nation receiving wheat.

As the Senate well knows, the United States and a purchasing country enter into an agreement under the Food for Peace Act. The purchaser buys the wheat from private U.S. wheat dealers. The U.S. Treasury pays the private wheat dealers, in dollars, for the wheat sold. The purchasing country then pays the U.S. Treasury in its local currency for the purchase. The local currency cannot be converted to dollars but must be used for U.S. Government expenses for loans to the government which purchased the wheat.

As the Senate also knows, great amounts of wheat can be sold abroad in this manner. But these sales are limited because they must be financed by the Treasury and paid for by the taxpayers.

Mr. President, if food for peace provides the explanation for increasing wheat exports, several stumbling blocks account for declining wheat sales abroad for dollars. Since exports under food for peace are limited, the future of U.S. wheat exports is in our ability to sell more wheat in foreign markets for dollars.

In discussing very briefly these stumbling blocks, I must, of necessity, depart from the bill which is the pending business, but I do not depart from the real problem involved. For example, Mr. President, I think it most necessary that we take a long hard look at the International Wheat Agreement. Major wheat importing and exporting nations are members of this agreement. The importing nations agree to buy a stated percentage of their wheat from the exporting nations within an established price range.

This agreement provides that the United States and Canada agree to withhold wheat from the world market until the price reaches a certain point in the established price range. Since these two great nations account for the vast majority of wheat sold under the agreement, they are practically able to stabilize the price of wheat. Yet while the United States and Canada withhold wheat and wait for the price to increase, other exporting nations sell at a lower price. We are thus faced with a leftover market. And we have sold less wheat this year to

the agreement countries than in any year since 1949.

The international wheat agreement extended for 1 year must be modified to assure the United States of its proper share of the wheat market. If this cannot be arranged, Mr. President, there is little practical reason for us to continue as a member of the agreement.

As what may seem to be a further digression, I would direct the Senate's attention to our tariff negotiations as they affect wheat exports. The Trade Expansion Act of 1962 gave the President broad powers to negotiate lower tariffs for American exports. Current negotiations in Geneva—the Kennedy round—between the United States and European Common Market countries are a result of that act.

The countries of the Common Market are our biggest foreign customers for industrial and agricultural products. If Common Market tariff barriers to U.S. goods could be lowered, our sales to those countries would increase significantly. So far the European countries have refused to discuss agricultural tariffs. Add to this the fact that the Common Market is attempting to become self-sufficient in grain production behind a high tariff wall, and the future of American wheat sales to those countries appears bleak indeed.

The administration must make a determined effort to include agricultural tariffs in the negotiations. To do less is to sacrifice our most important foreign agriculture market.

Mr. President, another of the so-called stumbling blocks may have been partially removed and I refer to the matter of export credit. West Europe has the dollars to buy U.S. wheat. The underdeveloped nations of the world do not. Credit arrangements for dollar sales of wheat to underdeveloped countries are a necessity if we are to increase these sales.

The governments of other wheat exporting nations provide such credit. The Government-backed Wheat Marketing Board of Canada, for example, extends credit to underdeveloped countries for the purchase of Canadian wheat. Canadian producers thus receive payment immediately from the Wheat Marketing Board. The purchasing country pays back the Wheat Marketing Board over a period of years. No comparable service is available for private U.S. exporters.

This year the Senate Commerce Committee held hearings on the Export Expansion Act of 1965. While no bill was reported it now appears that the Export-Import Bank has taken administrative actions which would provide for greater flexibility in financing sales to countries with risky credit ratings. It is my hope that the Export-Import Bank will now move forward to equalize America's position on the extension of credit as compared with other exporting nations.

Another handicap to the wheat exporter is that of cargo preference statutes and executive orders.

Under the Cargo Preference Act of 1934, any export of American goods assisted by Federal financing arrange-

ments—Export-Import Bank credit, for example—must be shipped in American vessels. American costs far exceed the world average. Consequently, the price of U.S. wheat delivered by American ships is significantly higher than that shipped in foreign vessels.

Cargo preference may benefit the shipping industry by giving it more business. But it does so at the expense of U.S. wheat sales abroad. If the Export-Import Bank should expand its credit provisions as mentioned above, we may still lose sales to other nations because of the cargo preference provision.

It is my understanding that pursuant to the action of the distinguished majority leader, the Committee on Foreign Relations will not consider whether or nor it is the sense of Congress that if commercial exports are not required to be shipped in American vessels to the extent of 50 percent of the cargo, then that same limitation shall be removed from agricultural products. This would be a step forward in eliminating the cargo preference which has been a severe handicap to the wheat exporters. For as I have stated before the cargo preference seriously limits the ability of the United States to sell wheat to poor nations who are extremely sensitive to price. This policy should be revised.

Total farm income is of great importance to the nation. It is of even greater importance to Kansas. If that income increases, the Nation benefits. If it falls, the Nation suffers. With this in mind, the Government became involved in agriculture three decades ago attempting to assure the farmer a healthy and growing income.

The key, I would suggest to the so-called farm problem so far as wheat is concerned, is increased dollar exports. Markets abroad must be developed in order to ease present production limitations.

Mr. President, the world is hungry and growing hungrier. No country has been able to match American productivity and abundance. Yet our productivity is presently shackled. Kansas and the Nation have much to gain by looking abroad for increased wheat outlets.

Mr. TOWER. Will the Senator yield for 5 minutes?

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, the provision of the bill we are now considering would place responsibility for the availability of farm labor in the hands of the Secretary of Agriculture, where, in my opinion, it has always belonged.

The determinations are, of course, primarily agricultural ones. Certainly the Department of Agriculture has more detailed knowledge of the production and harvesting of crops which may be adversely affected in an extremely short period of time by weather, market conditions, labor, and transportation availability and they like.

As well as detailed knowledge of these conditions that I have referred to, careful judgment is of corresponding importance. This detailed knowledge and careful judgment are much more likely

to come from the Department of Agriculture, which is by its very nature more conversant of problems and needs.

Let us consider briefly the qualifications of the Agricultural Department to assume this responsibility. The organization for making necessary decisions is well established, with its county agents and committees throughout the nation. Specialists in virtually every field are available, colleges and extension services are available, a Federal-State-market and new service crop reporting service are presently maintained.

And I feel with the transfer of responsibility called for in this provision would go a long way toward eliminating much of the conflict we now have between the farm community and the Federal Government. Just the very fact that the Secretary knows more about farm problems and needs will, I believe, make for better relations between farmers and Government.

Much confusion and much conflict has arisen under present law. The amendment adopted by the committee will lessen this confusion and conflict.

I have introduced this year a bill which would leave this farmworker determination up to the chief agricultural official of each individual State. I believe this would be the best solution, because the needs of the States vary widely.

However, until that proposal can be adopted, it certainly is a step in the right direction to get Federal agricultural officials into the act, rather than the Labor Department.

Mr. President, we find ourselves in the present trouble because we were persuaded by some union leaders and some economists that we could help resolve our domestic unemployment problem if we got rid of bracero labor. This is not true. We cannot take a laid off industrial worker out to the fields to do stoop labor. He is not competent to do it, he does not want to do it, and he will not do it.

We have been told that some of the rioting which occurred recently in Los Angeles occurred because people were angry because they did not have jobs. Yet only a few miles away, in the fields of the great fertile State of California, there were crops rotting because there was no one to harvest them.

Mr. President, it is foolish to think we are going to help our domestic employment situation, because we are not, and the economics of that contention are absolutely false. What we are going to do is kill off our domestic fruit and vegetable industry. We are going to send it to Mexico and to other places. We are going to kill off the packing plants which can for export purposes. We are not going to create new jobs in this country.

Furthermore, we are going to compel the housewife to pay more for her groceries in the market. It does not hurt a wealthy family to pay an additional 10 cents for a head of lettuce, but the workman who must work for a fixed wage will pay in the long run, if we do not have a bracero program, because his food will cost him more.

We are not helping the workingmen of the country by pursuing the course outlined by the Secretary of Labor. It is

mandatory, if we are to preserve the fruit and vegetable industry, the cotton industry, and other crop industries, and if we are to preserve the packing industry and also maintain stable prices, that we adopt the pending amendment. We are much more likely to achieve these results and have the program operated in a viable and effective manner by giving this authority to the Secretary of Agriculture, who has the facilities for determining the actual needs in the 50 States, than by giving the authority to the Secretary of Labor.

I urge the adoption of the pending amendment.

Mr. BASS. Mr. President, I wonder if we could enter into an agreement fixing the time for a vote. I believe I have about 12 minutes remaining. I am about ready to vote, and I wonder if the chairman of the committee is ready to vote. I wonder if it would be agreeable to allot 15 minutes to a side, and thus wind up the debate.

Mr. ELLENDER. I have no objection.

Mr. HOLLAND. I should like to have 4 or 5 minutes to summarize my argument.

Mr. BASS. Five minutes would be sufficient for me. I therefore ask unanimous consent that the vote on the pending amendment come 10 minutes from now.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, will the Chair kindly state what action has just been taken?

The PRESIDING OFFICER. The Chair understands that the Senator from Tennessee has made a unanimous-consent request that the Senate vote on the pending amendment in 10 minutes' time, 5 minutes to be allotted to the Senator from Tennessee and 5 minutes to the distinguished chairman of the committee.

Mr. MANSFIELD. Fine.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, will the Senator from Tennessee yield to me briefly?

Mr. BASS. I yield 2 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. JAVITS. I wish to express my support of the Senator's amendment. I have been participating in the struggle with relation to braceros for a long time. I served on the subcommittee with the Senator from New Jersey [Mr. WILLIAMS] with regard to migratory workers, and I believe that we should give the present plan proper consideration as to whether it can or cannot work. We should not, in my judgment, try to change the base. I shall support the Senator's amendment.

Mr. BASS. I thank the Senator from New York for his support of my amendment.

Mr. President, in conclusion, let me point out exactly what the amendment would do.

It would have the effect of transferring the authority for making it harmful

for the needs of nonfarm labor, immigrant labor, coming into the United States. We are not talking about farm labor. If we were talking about full-time farm labor, there would be no problem, but we are talking about the seasonal needs of labor brought in as immigrants into the United States to work.

The Secretary of Agriculture does not have the facilities or the personnel to determine where additional nonfarm labor exists, its availability and seasonal use therein involved.

It has been interesting for me to note, and I have listened attentively to the entire debate—

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. BASS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 2 additional minutes.

Mr. BASS. Mr. President, all the discussion involved has pointed, not to the provision of the law which I seek to strike from the bill, or the provision in the bill, but to reinstating the old bracero program, a program which Congress voted out of existence. This provision does not deal with the bracero program. This is dealing with the administration of migrant workers.

In my opinion, what is being attempted by the provision in the bill is to reinstate the bracero program. Evidently the sponsors of the bill feel that they can use the backdoor approach to reinstate a program which Congress voted out, by getting someone who might be, in their opinion, more sympathetic to the idea of bringing in immigrant workers. That is not what is involved in this provision of the law.

Accordingly, let us not try to reinstate a program through the back door which Congress has stated emphatically and affirmatively was wrong, was administered wrong, and should be stopped.

Mr. President, I believe that the Secretary of Labor will be sympathetic toward the problems of migrant workers, at the same time trying to protect the domestic workers in this country in meeting the need of seasonal employment which they might not get in certain areas.

Mr. President, I reserve the remainder of my time.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield me 5 minutes?

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, we are dealing with farm labor—not with full-time farm labor but with farm labor. If anyone knows how an unskilled laborer can handle a machete in the cutting of sugarcane, or a 45-foot ladder in climbing orange trees to pick the oranges, he would realize that those who do know how are farm laborers and quite skilled in their particular line of work. That would also apply to other

kinds of employment, such as the picking of apples and other fruits, which requires skill and experience.

Mr. President, I am concerned about this problem, because the Secretary of Labor has been so idealistic in his approach.

This is what he says in his justification for his recruiting system:

The task is now expected to be rendered singularly more difficult, since it will be directed toward the complete transition from foreign to domestic labor.

Mr. President, the Secretary had no such mandate. He has no right to go in that direction. The Appropriations Committee invited his attention to that, and stated as follows:

The Department should be prepared, when it appears to testify before this committee on the pending 1966 supplemental for additional funds under Public Law 414, to inform the Senate of the specific plans which will be used to prevent future crop loss, et cetera.

No such specific information was given.

What is happening to us is that people continue with this unfortunate and unsatisfactory policy of the Secretary of Labor. We cannot stand idly by and see that occur.

I have heard much about what labor is saying. I wonder whether the Senate knows that on April 24, 1962, George Meany, speaking for the AFL-CIO, submitted to the Secretary of Labor a memorandum brief, which I hold in my hand, and which I ask unanimous consent to have placed in the RECORD in full.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE BRITISH WEST INDIES AGRICULTURAL LABOR PROGRAM

(Submitted to the Secretary of Labor by President George Meany of the AFL-CIO)

It is estimated that over 330,000 foreign workers are employed in the United States each year as supplementary labor in areas where the U.S. Department of Labor has certified a shortage of domestic workers. The average number of British West Indies (B.W.I.) workers employed during each month of 1962 was 6,976 with a high of 10,267 on December 31 and a low of 2,917 on July 31. These workers earned gross wages of \$14,694,522 and of this \$2,137,219 was transmitted to the West Indies for the savings accounts operated by the Governments on behalf of the workers. Analysis of the foreign exchange transactions of the various banks shows that similar amounts were sent by the workers as direct remittances to their families or to their commercial bank accounts.

These earnings show that the United States is making a substantial aid contribution to the West Indies at no cost to the American taxpayer, at no loss of self-respect to the West Indians, but merely as a fair return for a fair day's work on the part of law-abiding and ambitious West Indian workers.

The gainful employment of West Indian workers on American farms constitutes a substantial relief to the serious West Indian unemployment problem where, for example, in Jamaica the rate is as high as 18 percent.

About 95 percent of the foreign national agricultural workers in the United States are Mexicans, whose programs are administered by a treaty between the United States and Mexico and under Public Law 78, which was recently extended by Congress for 2 years

ending December 31, 1962. The other workers are admitted under the provision of the McCarran-Walter Act, Public Law 414, and these programs are administered without expense to the U.S. Government; in the case of the British West Indies a contract and work conditions are negotiated each year between representatives of the West Indies Government and representatives of the American farmers.

In February 1962 the Department of Labor issued a bulletin concerning the entry of Mexican agricultural workers into this country. This bulletin states that Mexican workers should not remain in the United States for a period exceeding 9 months and that the majority of Mexican workers must return after working 6 months.

Although arrangements for Mexican workers under Public Law 78 has no bearing on the B.W.I. program, the Secretary of Labor has applied the restriction against farm machine operation by Mexican nationals to the B.W.I. and has been endorsing certifications to this effect. It stands to reason that the Secretary is likely to apply the 9-month limitation to the British West Indies. This would destroy continuity of employment and make it extremely difficult to recruit men for the midwest and northern States for a short season if these workers knew they would have to return home at the end of that season. It would also make it impossible to transfer workers from Florida to the northern States. This would be a considerable hardship to the economy of the West Indies, particularly Jamaica which supplies more than 75 percent of the B.W.I. workers.

The workers of the British West Indies in the United States typically work in Florida from late spring or early summer, and are then transferred to Connecticut and the Midwestern States of Wisconsin, Indiana, Iowa, and Minnesota. When the summer harvest has been completed they are transferred back to Florida.

Through such transfer operations it was possible, up to 1957, to obtain continuous employment for fairly large groups of men. However, during 1958 mechanization of the pea and corn harvests in the Midwest had grown to such proportions that there was a considerable reduction in the number of workers transferred to that area, and that number has been further reduced each year since for the same reason. It is still possible, however, to send workers to Connecticut for tobacco during April and May; to send a few hundred men to the Midwest in June; to recruit more men for the September apple harvest in New York; the tomato harvest in Indiana in late August and early September; and to the fruit harvest in Michigan during early September. These workers are transferred, at the end of the harvest period, back to Florida.

It is well known that the standards of the B.W.I. program improve the lot of domestic workers in regard to housing, workmen's compensation, and racial matters. The British West Indies Central Labor Office maintains a ratio of 1 liaison officer to 900 workers. These officers are responsible for seeing that the terms of employment are satisfactory, that the contractual obligations are honored both by the employers and by workers.

The large camps in Florida in which West Indian workers are housed provide infirmaries, and it is interesting that, while the U.S. Government is now attempting to develop a group insurance policy to protect domestic migrant workers against accidents or sicknesses which are nonoccupational, the B.W.I. program provided such protection for West Indian workers as far back as 1948. This policy incidentally, provides better medical, hospital, and financial benefits to the workers than are proposed in the U.S. Gov-

ernment schemes. Full workmen's compensation protection in accordance with that given to industrial workers is required for all B.W.I. workers and no employment is approved unless there is such protection. This requirement protects American workers employed by the same farmers as West Indians, because the domestics receive the workmen's compensation benefits. Here again the workmen's compensation provision provides more benefits for the B.W.I. workers than are required by law for Mexican national workers, despite the treaty between the two governments concerned.

The racial problem in many areas has been eased by the presence of B.W.I.'s. For example, a director of labor in one of the Southern States commented publicly, at a 1958 National Farm Labor Conference, that when B.W.I.'s worked in a neighborhood it became easier for American Negroes to enter that neighborhood and obtain gainful employment.

The Secretary of Labor has the authority to make exemptions in the B.W.I. program. The AFL-CIO urges that he allow the B.W.I. workers to remain, as at present, on a year-round basis. The Department of Labor, through local, State, and regional employment services, has to be satisfied that there is a shortage of domestic workers before they will certify the need for foreign labor. If this shortage is so certified, there should be no hesitation in allowing B.W.I.'s to remain on a year-round basis, either with one employer or with more than one employer on transfers.

The Government of Jamaica would not be opposed to a treaty similar to that between Mexico and the United States, and it is believed that most of the American employers would not be opposed to such action.

Mr. HOLLAND. Mr. President, Mr. Meany very clearly favors importation of British West Indian laborers. He was talking about them in particular, to the effect that they were not hurtful to the labor supply in this country.

I shall not read the memorandum in full, but just one quotation, as follows:

The Secretary of Labor has the authority to make exemptions in the B.W.I. program. The AFL-CIO urges that he allow the B.W.I. workers to remain, as at present, on a year-round basis.

He was talking, then, more directly to get them in on a year-round basis. We do not make such a request.

Mr. President, that was Mr. Meany's position in 1962. Therefore, it was the position of the AFL-CIO. He says further in this able memorandum:

The gainful employment of West Indian workers on American farms constitutes a substantial relief to the serious West Indian unemployment problem where, for example, in Jamaica the rate is as high as 18 percent.

Mr. President, there is no doubt that organized labor, as represented by Mr. Meany, asserts that this is a helpful matter, one of mutual aid. Senators will realize that, if they read the letter, where we give dollars for labor, honestly rendered, in this field.

I have already inserted in the RECORD an editorial from the Jamaican newspapers showing their hostility.

I should like to read one paragraph or two from a letter received from the port manager of the Port of Palm Beach district in West Palm Beach, Fla., who has been in Jamaica with a group of businessmen, in which he comments on the complete change in the situation there, how hostile they are to our people, and

how much they have depended on our agricultural employment. Then he gives this picture of their hostility, which I believe will speak louder than any words of mine on this subject:

On our drive across Jamaica, we saw many instances of open hostility. Even members of military convoys would shout harsh remarks at us. Workers along the highway would frequently shake their fists at us as we drove by. Merchants in small stores were very surly even though we presented a cash sale. This was not the attitude which I met last February on a similar trip. At first, I was inclined to charge it up to our position in Dominica; however, I was told by my Jamaican friends that most people supported that action. It was the travel and labor restrictions coming on the heels of one another that caused the reaction. One man told me that, in his opinion, we have pushed the people of the Caribbean closer to Castro than they have ever been.

Let us realize that this unfortunate, idealistic approach is not based upon any real understanding of the problem. As adopted and applied by the Secretary of Labor, it is hurting. It is also hurting our foreign relations. It is hurting in our friendship with our good neighbors, whose workers have come into this country periodically to work for us and have been pleased at their employment here. It is hurting the growers of perishable commodities. It is hurting the housewives of this country. It is hurting in that it is the cause of the removal of workers from our Nation, as producers, as taxpayers, into the islands in the Caribbean. It is hurting in cutting down the total supply of our perishable products by saying that we should end it by letting the Secretary of Agriculture, who has the know-how, prescribe the number which are needed by our people.

Mr. BASS. Mr. President, I believe I have 1 minute remaining. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BASS. Let me say in closing that I disagree with respect to the issue being raised by my friend from Florida. If there is a problem, it should be studied separately, and special legislation should be handled, as has been done historically by the Congress. This is nothing but a back-door approach to trying to reinstate the bracero program.

The vote about to be taken is to strike out a section of the bill which should not be here in the first place, and, secondly, is the wrong approach to this problem.

Mr. ELLENDER. Mr. President, I yield 1 minute to the Senator from Maine.

Mr. MUSKIE. Mr. President, my State has a direct interest in the farm labor question. Traditionally Canadian workers have been recruited to help with the harvesting of potatoes and apples.

This year we have gone through a careful review of the program as it operates in Maine and we have endeavored to meet the objectives of the Secretary of Labor in expanding opportunities for American workers to obtain these harvesting jobs.

I am in agreement with the Secretary's objectives. I believe we should make every effort to recruit American

workers for farm jobs before we seek foreign labor. I believe we should do everything we can to insure better wages and working conditions for American farm workers.

At the same time, I have had questions about the Secretary of Labor's approach to the problem, this year. In the beginning of his efforts to curtail the importation of foreign laborers, there was a tendency to be arbitrary in calling for drastic reductions in the use of foreign labor. There was the clear implication that he planned to eliminate this source in 1 year. There was a disruption of the farm labor market as a result of the vigorous prosecution of his aims and some farmers have been hurt. None of us, I am sure, is happy over these conditions.

On the basis of our experience in Maine, however, it is clear that the Secretary of Labor has adopted a more realistic attitude toward the farm labor problem. When we were able to demonstrate that there were not sufficient domestic laborers available the Secretary authorized importation of Canadian workers.

I would not want the Secretary to abandon his objective of expanding job opportunities and improving working conditions for American workers, on the farm as well as in our factories. But, while he pursues his objective, he must give realistic attention to the needs of our farmers for a dependable supply of workers. He should consult with appropriate agencies, including the Department of Agriculture, in setting administrative guidelines.

I appreciate the intention of the distinguished Senator from Florida [Mr. HOLLAND] to prevent a recurrence of the difficulties which we encountered this year. I disagree with the remedy he offers. I do not think it is administratively sound to place a labor supply and working condition question in the hands of the Secretary of Agriculture or any department or agency head other than the Secretary of Labor. The Secretary of Labor has this basic responsibility under many acts of Congress and his Department has the personnel and the administrative system to handle these questions. We should not change a basic administrative system simply to modify or correct a single policy matter.

For these reasons, Mr. President, I have decided to support the Bass motion to strike the Holland amendment.

I do so because I believe the approach offered by that amendment is not the best one to achieve our objective of encouraging a better handling of the farm labor problem, and because I believe that the Secretary of Labor will give more attention to the problems of farmers in future harvesting seasons.

Mr. BASS. Mr. President, I yield back the remainder of my time, and I am ready to vote.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Tennessee [Mr. Bass] to strike out section 706 of the committee amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SMATHERS. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. LONG], the Senator from Connecticut [Mr. RIBICOFF], the Senator from South Carolina [Mr. RUSSELL], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. McCARTHY], and the Senator from Oregon [Mrs. NEUBERGER] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Connecticut [Mr. RIBICOFF] would each vote "yea."

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Minnesota [Mr. McCARTHY]. If present and voting, the Senator from Louisiana would vote "nay" and the Senator from Minnesota would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT] and the Senator from Pennsylvania [Mr. SCOTT] would each vote "nay."

The yeas and nays resulted—45 yeas, 45 nays, as follows:

[No. 253 Leg.]

YEAS—45

Bartlett	Hill	Mondale
Bass	Inouye	Monroney
Bayh	Jackson	Montoya
Bible	Javits	Moss
Brewster	Jordan, N.C.	Muskie
Burdick	Kennedy, Mass.	Nelson
Cannon	Kennedy, N.Y.	Pastore
Case	Long, Mo.	Pell
Church	Magnuson	Proxmire
Clark	Mansfield	Sparkman
Douglas	McGee	Symington
Gruening	McGovern	Tydings
Harris	McIntyre	Williams, N.J.
Hart	McNamara	Yarborough
Hartke	Metcalf	Young, Ohio

NAYS—45

Aiken	Fannin	Murphy
Allott	Fong	Pearson
Boggs	Fulbright	Prouty
Byrd, Va.	Hayden	Randolph
Byrd, W. Va.	Hickenlooper	Robertson
Carlson	Holland	Russell, Ga.
Cooper	Hruska	Saltonstall
Cotton	Jordan, Idaho	Simpson
Curtis	Kuchel	Smathers
Dirksen	Lausche	Smith
Dodd	McClellan	Stennis
Dominick	Miller	Thurmond
Eastland	Morse	Tower
Ellender	Morton	Williams, Del.
Ervin	Mundt	Young, N. Dak.

NOT VOTING—10

Anderson	McCarthy	Scott
Bennett	Neuberger	Talmadge
Gore	Ribicoff	
Long, La.	Russell, S.C.	

There was a recapitulation of the vote.

Mr. HOLLAND. Mr. President, I ask for the regular order.

The VICE PRESIDENT. There has been no announcement as yet.

On this vote there are 45 yeas and 45 nays. The Chair votes "yea."

So Mr. Bass' amendment was agreed to.

Mr. BASS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on the motion to lay on the table.

The yeas and nays were ordered.

Mr. KUCHEL. Mr. President, what is the question before the Senate?

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Rhode Island to lay on the table the motion by the Senator from Tennessee [Mr. Bass] to reconsider the vote by which the Bass amendment was agreed to.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SMATHERS. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. McGEE], the Senator from Connecticut [Mr. RIBICOFF], the Senator from South Carolina [Mr. RUSSELL], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. McCARTHY], and the Senator from Oregon [Mrs. NEUBERGER] are necessarily absent.

I further announce that, if presented and voting, the Senator from Tennessee [Mr. GORE], the Senator from Wyoming [Mr. McGEE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Connecticut [Mr. RIBICOFF] would each vote "yea."

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Minnesota [Mr. McCARTHY]. If present and voting, the Senator from Louisiana would vote "nay" and the Senator from Minnesota would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT] and the Senator from Pennsylvania [Mr. SCOTT] would each vote "nay."

The result was announced—45 yeas, 44 nays, as follows:

[No. 254 Leg.]

YEAS—45

Bartlett	Hill	Monroney
Bass	Inouye	Montoya
Bayh	Jackson	Morse
Bible	Javits	Moss
Brewster	Jordan, N.C.	Muskie
Burdick	Kennedy, Mass.	Nelson
Cannon	Kennedy, N.Y.	Pastore
Case	Long, Mo.	Pell
Church	Magnuson	Proxmire
Clark	Mansfield	Sparkman
Douglas	McGovern	Symington
Gruening	McIntyre	Tydings
Harris	McNamara	Williams, N.J.
Hart	Metcalf	Yarborough
Hartke	Mondale	Young, Ohio

NAYS—44

Aiken	Eastland	Lausche
Allott	Ellender	McClellan
Boggs	Ervin	Miller
Byrd, Va.	Fannin	Morton
Byrd, W. Va.	Fong	Mundt
Carlson	Fulbright	Murphy
Cooper	Hayden	Pearson
Cotton	Hickenlooper	Prouty
Curtis	Holland	Randolph
Dirksen	Hruska	Robertson
Dodd	Jordan, Idaho	Russell, Ga.
Dominick	Kuchel	Saltonstall

Simpson
Smathers
Smith

Stennis
Thurmond
Tower

Williams, Del.
Young, N. Dak.

NOT VOTING—11

Anderson
Bennett
Gore
Long, La.

McCarthy
McGee
Neuberger
Ribicoff

Russell, S.C.
Scott
Talmadge

So Mr. PASTORE's motion to lay on the table Mr. Bass' motion to reconsider the vote on the Bass amendment was agreed to.

CORRECTION OF A VOTE

Mr. PROXMIRE obtained the floor.

Mr. HARTKE. Mr. President, I ask unanimous consent that the Senator from Wisconsin may yield 1 minute to me so that I may make a correction of a vote, the time to be charged to neither side.

Mr. PROXMIRE. Mr. President, I yield to the Senator from Indiana for that purpose, without losing my right to the floor.

Mr. HARTKE. Mr. President, last Friday, September 10, on the vote on the amendment offered by the Senator from Georgia [Mr. TALMADGE] to the pending bill, as shown on page 22565 of the RECORD, I announced a live pair with the Senator from Arkansas [Mr. FULBRIGHT]. At that time I said I would have voted "yea," and the Senator from Arkansas would have voted "nay." The RECORD incorrectly records that statement. I ask that the permanent record be corrected to show that the Senator from Arkansas would have voted "nay," and that I would have voted "yea."

The VICE PRESIDENT. The correction will be made accordingly.

APPOINTMENT BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair announces the appointment of Senator BENNETT to be a delegate to the International Atomic Energy Agency Conference to be held in Tokyo for 2 weeks beginning September 21, 1965, in lieu of Senator HICKENLOOPER, who will be unable to attend.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

AMENDMENT NO. 438

Mr. PROXMIRE. Mr. President, I call up my amendment No. 438. I ask unanimous consent that the reading of the amendment be dispensed with, but that the amendment be printed at this point in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The amendment is as follows:

At the end of the bill add a new title as follows:

"TITLE VIII—DAIRY

"SEC. 801. The Agricultural Adjustment Act, as reenacted and amended by the Agri-

cultural Marketing Agreement Act of 1937, as amended, is further amended by adding at the end of section 8c(5) the following new subparagraph (H):

"(H) Notwithstanding any other provision of this section, providing:

"(i) for allocating, or providing a method for allocating, to each producer under a marketing order, a share of the total sales of milk received from producers classified in, and subject to the minimum price or prices applicable to, the highest use classification or classifications under the marketing order and such reserves of producer milk as may be found essential thereto, which share shall be determined on the basis of total deliveries of milk made by each such producer during the year 1964, or such other representative period as the Secretary may prescribe in the order as more appropriate, due allowance being made in the provisions of the order for (a) abnormal conditions, (b) hardship cases, and (c) producers under the order engaged in milk production at the time provisions hereunder are incorporated in the order but who did not produce milk during all or part of the representative period. Dairy farmers who were producing and marketing milk prior to the date when provisions hereunder were incorporated in the order and who were not on such date delivering milk as producers under the order shall upon becoming producers under the order be provided, with respect to milk delivered under the order, allocations on the same basis as those who were producers under the order when such provisions become effective: *Provided*, That if any dairy farm of such a dairy farmer has been transferred to another person and no allocation based on deliveries from such farm has been issued when milk is first delivered therefrom as producer milk under the order, such transferee then operating the farm shall be provided any allocation for which the said dairy farmer would otherwise have been eligible based on deliveries from such farm. Provisions shall also be made for allocating to any new producer under an order who was not engaged in dairy farming prior to the incorporation in the order of provisions hereunder an equitable share of the allocated sales on such terms and conditions as prescribed in the order, due consideration being given to the current and prospective supply conditions in the regulated market. The application of allocations hereunder shall be subject to such provisions as may be incorporated in the order under section 8c(5) (D). Allocations to producers under this subparagraph may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public, existing producers, and prospective new producers. The allocations or bases hereunder may be adjusted from time to time or new allocations or bases may be established by amending the order or under provisions incorporated in the order;

"(ii) that in distributing to producers the amounts of money required to be paid by handlers on milk each producer shall be paid (1) for milk delivered by him which exceeds his allocation at the lowest class price specified in the order and (2) for milk delivered by him within his allocation a blend price, based on utilization in such higher class uses plus reserve, representing his pro rata share of the remaining funds available for current distribution to producers under the order, after the computation has been made under (1) hereof. The payments under (1) and (2) above shall be subject to adjustments prescribed in the order under section 8c(5) (B) or other provisions of the Act and to such provisions as may be incorporated in the order under section 8c(5) (D);

"(iii) in marketing orders where individual handler pools are approved as pro-

vided by subparagraph 8c(5) (B) (i) the provisions of this subparagraph may be applied to each handler individually and to the producers delivering milk to such handlers;

"(iv) in the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision may be made for reducing the allocation of, or payments to be received by, any such producer to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers.

"(v) the order may provide for such reports and the keeping of such books and records by producers and by the person or persons to whom he may dispose of milk as the Secretary may prescribe and upon request of the Secretary such person or persons shall make required records available for inspection;

"(vi) the provisions authorized under this subparagraph may be made applicable to a regulated handler's own production of milk;

"(vii) order provisions under this subparagraph shall not become effective in any marketing order unless separately approved by producers in the same manner provided for the approval of marketing orders. Disapproval of order provisions under this subparagraph shall not be considered disapproval of the order or of other terms of the order. Order provisions under this subparagraph may be terminated separately whenever the Secretary makes the determination with respect to such provisions as is provided for the termination of an order in section 8c(16) (B);

"(viii) Any producer for whom an allocation or base is established under the authority of this subparagraph may obtain a review thereof as prescribed by the order and rules and regulations thereunder, which shall constitute the exclusive procedure for review thereof and section 8c(15) (A) of this title shall not apply thereto. Under such order, rules, or regulations any officers or employees of the Department or any committees or boards of producers under the order created for the purpose may be vested with authority to perform any or all functions in connection with such review proceedings, including ruling thereon. Committees or boards created for this purpose shall be deemed agencies of the Secretary within the meaning of subsection 8c(7) (C) and section 10 of this title. The ruling upon such review shall be final if in accordance with law. The producer may obtain a judicial review of such ruling in accordance with the provisions of section 8c(15) (B) of this title; and

"(ix) the provisions of section 8a(5) shall not apply to any producer in the application of this subparagraph or regulations issued pursuant thereto."

Mr. PROXMIRE. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I yield myself 15 minutes.

Mr. AIKEN. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I have yielded myself 15 minutes to explain the amendment. I shall be happy to yield to the Senator from Vermont after I have finished my explanation.

Mr. AIKEN. I wish to make sure that the Senate understands the intent of the Senator's amendment. Will the Senator from Wisconsin, after he has made his presentation, permit me to ask him several questions?

Mr. MANSFIELD. Mr. President, I ask that there be order in the Chamber and

that attachés who have no business to attend to be requested to leave the Chamber.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The Senator's point is well taken. The attachés will please leave the Chamber if they cannot be in order.

Mr. AIKEN. Mr. President, after the Senator from Wisconsin has finished his opening remarks, will it be agreeable to him to permit me to ask clarifying questions on the various sections of the amendment, so that there will be no mistake in the RECORD as to exactly what each section and each part of the amendment means?

Mr. PROXMIRE. I should hope that we could use that time on both sides as equally as possible.

Mr. AIKEN. Mr. President, with that understanding I do not intend to interrupt the distinguished Senator from Wisconsin while he is speaking.

Mr. PROXMIRE. Mr. President, I thank the Senator.

This amendment would insert in the Food and Agriculture Act of 1965, as it was reported by the Committee on Agriculture and Forestry, a new dairy title. The amendment is identical with S. 1915, the Proxmire dairyman's class I base plan. It is also quite similar to title I of H.R. 9811, as it was passed by the House of Representatives.

Mr. President, this amendment would increase farm income, according to the Department of Agriculture.

It would reduce the cost of the farm program, according to the Department of Agriculture.

It would not increase the cost of milk to the consumer. The amendment has been tried and won enthusiastic support in British Columbia, where it succeeded in increasing farm income with no increase in cost to the consumer.

The amendment is strictly permissive. At least two-thirds of the farmers in a particular market order must vote in favor of the plan before it would go into effect in their market order. A simple majority vote can cancel the plan.

In testifying before the Senate Committee on Agriculture and Forestry this year, Secretary of Agriculture Freeman supported this proposal. In doing so, he said:

Enactment of legislation authorizing the use of base plans in Federal milk order markets would be a step in the right direction. In markets where producers elected to adopt a base plan, as provided for in this bill, there would be an incentive to hold down increases in milk production. This would help reduce present surpluses to the benefit of all.

It would not impose barriers on the entry of new producers to markets adopting a base plan. Its provisions would leave the door open for needed, yet equitable adjustments within the industry.

This amendment is identical with the bill which passed the Senate by a 45-to-33 vote in the fall of 1963. It is similar to, but not identical with, title I of the farm bill as it passed the House of Representatives this year. That title was deleted by the Senate committee.

At present, farmers selling milk for fluid consumption in marketing order areas receive a blend price for that milk.

That "blend" is made up of two prices—first, a relatively higher price for the part of the milk that actually goes into fluid consumption; and, second, a relatively lower price for the excess which goes into cheese, ice cream, and so forth.

Regardless of how much the farmer produces, he receives the single blend price.

Dairy farmers object to this practice, because, as farmers producing under the same marketing order increase their production, the production going into excess increases and the blend price drops lower and lower.

This is how the amendment would permit the farmers to modify the blend price system:

If two-thirds of the farmers in a market order area vote to do so, they can end the blend price system for their own particular order.

Instead, they could receive, the high fluid price for that part of their production that goes into fluid milk, and the lower, excess price for that part of their milk that goes into excess production. This has two advantages.

First, it would enable the farmer to protect himself against overproduction by other farmers under the order. This is because the farmer could count on the established fluid price, and that fluid price would not be diminished by increased excess production, as is the blend price.

Second, overall milk production would decline. The burden on the taxpayer—which has been several hundred million dollars a year—to pay for acquiring excess milk production would be reduced considerably. This is because farmers would receive a lower excess price for all their increased production, rather than the higher blend price which they now receive.

Mr. President, let me mention some of the things this amendment would not do. I want to make it crystal clear that the freedom of action now existing under milk marketing orders would in no way be affected. It may be suggested that this amendment makes many modifications in existing law. I believe this is because of a misapprehension. This amendment would only do one thing. It would provide farmers with an option on the kind of system under which they would be compensated for their milk in fluid milk areas, and nothing else.

First, my amendment would not in the slightest degree represent production control. Dairy farmers will continue to be free to produce just as much or as little milk as they wish. They will continue to be able to keep as many or as few dairy cows as they want and feel they need. Their position in the marketplace vis-a-vis their neighboring producers would not be affected one iota.

Second, my amendment would have no effect on the minimum prices paid by handlers, but would deal only with the apportionment of the proceeds among producers.

Third, this provision contains no mandatory features whatsoever. It is a completely voluntary program, to be accepted or rejected by dairy farmers in a referendum. If rejected, the remainder of the milk marketing order would remain in effect.

Fourth, this amendment contains not a single penalty clause.

Fifth, the amendment would not affect the price of milk to consumers.

To place this amendment in perspective, consider the present situation as it exists under milk marketing orders, since the amendment has to do only with these orders.

Milk marketing orders play an important role in the dairy picture in the dairy picture in the United States as a whole. More than 75 orders are now in operation. These orders produce almost 50 percent of the Nation's milk.

Since 1940 the number of markets covered by Federal orders has increased from 17 to 77. The amount of milk regulated under these orders has increased from less than 20 percent to almost 50 percent of all the milk marketed in the United States. Over the same period, the percentage of Federal order milk used for manufacturing purposes has increased from less than 30 percent to almost 40 percent. In some of the larger markets, the amount of milk used for manufacturing purposes exceeds the milk used for fluid purposes.

I ask unanimous consent to have printed at this point in the RECORD a tabulation showing in detail the amount delivered under Federal order markets, the average surplus price, and the approximate value of this surplus since 1947.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Approximate value of surplus milk in Federal order markets, 1947-64

Year	Product deliveries minus delivery used in class I ¹	Average surplus price ²	Approximate value ³
	(1)	(2)	(3)
	<i>1,000 pounds</i>		<i>1,000 dollars</i>
1947-----	5,172,119	\$3.39	175,335
1948-----	5,167,534	3.83	197,917
1949-----	6,944,805	2.80	194,455
1950-----	7,659,948	2.87	219,841
1951-----	7,398,822	3.52	260,439
1952-----	8,326,343	3.71	308,907
1953-----	10,459,979	3.21	335,765
1954-----	10,968,193	2.89	316,981
1955-----	10,916,212	2.90	316,570
1956-----	11,764,090	2.99	351,746
1957-----	12,116,639	3.02	365,922
1958-----	13,046,964	2.94	383,581
1959-----	13,898,734	2.96	411,403
1960-----	16,054,501	3.06	491,268
1961-----	18,943,710	3.14	594,832
1962-----	20,042,265	3.02	605,276
1963-----	19,896,503	3.05	606,843
1964-----	20,454,127	3.12	638,169

¹ This figure includes some milk used for fluid purposes and included in a class other than class I. The amount of such milk is relatively small.

² Estimated to be equal to the U.S. manufacturing milk price converted to 3.5-percent butterfat content.

³ Col. 1 X col. 2.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I am sorry. I had told the distinguished Senator from Vermont that I would continue my presentation without yielding. I apologize to the distinguished Senator from Washington who is a cosponsor of my amendment and was a cosponsor of the amendment in 1963, when it was agreed to by the Senate.

The present blend price system increases our dairy surpluses. If we elim-

inated the blend pricing system, we could reduce the burden on the taxpayer, and, at the same time, give the dairy farmer an opportunity to tailor his production to what is needed.

It is fantastic that the Chicago marketing area should produce more than 1½ times as much excess milk as is used for the fluid purpose for which the order is designed. In other words, for every quart that is used for fluid purposes, there is 1½ quarts of excess.

At present, if farmers who are under the marketing order increase their production, the price goes down. However, under my amendment, the farmer would not have to increase production in order to keep up with other farmers.

Under the blend pricing system, an individual farmer has no control over either the blend price he receives for his milk or his total income. Under the proposed amendment, any producer can control his own price and income. This is so because his allotment guarantees a high price for a specified quantity. Then, to attain his income and economic objective, he produces only the amount which would maximize his returns. Producers can adjust either upward or downward to suit their particular levels, but they will in no way affect any other producer's effort.

An example can best demonstrate the weaknesses of the present system and how this amendment would stop the increases in dairy production.

Assume that a farmer's herd produces, and he markets through the marketing order 200,000 pounds of milk in a particular year. Assume that half of this milk—as in the New York-New Jersey area—goes into fluid or Class I purposes, and half goes into excess or manufacturing purposes. Assume further, for simplicity's sake, that the price for fluid milk is \$5 a hundred and the price for manufacturing milk is \$3 a hundred. Assume finally, that the farmer has a fluid milk base of half of his production, or 100,000 pounds.

Under both the present administration of the law and the proposed amendment, the farmer would receive \$8,000 for the milk which he marketed—that is, 200,000 pounds multiplied by \$4 a hundred-weight.

Under the present law, he would receive a \$4 blend price for each hundred-weight which he marketed. However, under the proposed amendment, he would receive \$5 a hundred, or \$5,000 for his first 100,000 pounds, or base, and only \$3 a hundred, or \$3,000, for the second 100,000 pounds that he marketed.

The incentive to reduce production, and especially the incentive not to increase production, shows up sharply when we see what happens under the present law and the proposed amendment if the farmer decides to change the amount of his production.

Under the present law, if the farmer cuts back production by 10,000 pounds—or about one cow—he loses the blend price, or \$400 in receipts. Under the proposed legislation, if he cuts back production to the amount of 10,000 pounds, he loses the manufacturing price of only \$300. Hence, there is a significantly larger incentive under the amendment

for the dairy farmer to reduce his production.

The incentive is likely to work even more sharply for the farmer contemplating an increase in production. Under the present law, if the farmer increases his production by 10,000 pounds, he receives the blend price of \$4 a hundred, or \$400. But under the proposed amendment, if he increased production by 10,000 pounds, he would receive only \$300. He would not get \$400. He would get only \$300.

The reason that this proposed legislation is likely to be so decisive in discouraging additional production is that the overwhelming majority of farmers throughout the Nation cannot cover their costs at \$3 a hundred, and they know it.

The result is that the vast majority of farmers who take out pencil and paper to decide whether or not to add another cow and an additional 6,000 or 8,000 pounds of annual production to their herd will find that the addition would cost them money if the additional production brought them only the manufacturing price—in this case \$3—and not the blend price—in this case \$4.

Much of the evidence concerning the need for dairy legislation relates to excess production and the cost of the program to the Federal Government. Production in the past few years, as well as now, is in excess of market needs.

During 1963 the Federal Government was required to purchase 7.8 billion pounds of milk on an equivalent milk-fat basis produced in excess of our needs.

Last year the Department of Agriculture was required to purchase 8.5 billion pounds and through July of this year the Government purchased 6.2 billion pounds in excess of needs. The Government was required to purchase 6.2 billion pounds because of an overproduction of milk on our farms. My amendment is designed in part to help correct that overproduction, and that is one of the reasons the Department of Agriculture supports it.

Two years ago the Department of Agriculture estimated that production would be cut by about 600 million pounds and that there will be a net savings to the Government of approximately \$26 million in the first year, if my proposal is enacted. That is a conservative estimate because it is based upon the assumption that it will require longer than a year for the marketing order areas to take advantage of the law and for the law to become fully effective. I stress that the first year is where there would be the least saving. As the years go on, I think the savings would distinctly increase. This is another very desirable feature of the amendment; that is, the feature of gradualism. There will be no sharp adjustment which could have a tremendous adverse economic and market impact on the entire dairy industry, to say nothing of consumer interests. It might also be well to point out here that consumer interests are fully protected under the law, and that any reductions in production would create no upward pressure on consumer prices. All we are doing here in this regard is to reduce the

cost to the Government and save the taxpayer's money.

It is also true that the income of dairy producers is pitifully small. For example, the Department of Agriculture reports that the average return per hour earned by milk producers on grade B, eastern Wisconsin farms in 1964 amounted to only 36 cents per hour.

That is what these farmers earn, although they have greatly increased their efficiency and their investment. In 1964, they earned 36 cents an hour, and only 11 cents an hour in 1960. The income of these farmers is held down because of the excess production encouraged by the blend price in order areas. Anything we can do to cut down on excess milk production will be a step forward toward improving incomes of these producers.

The Agricultural Marketing Agreement Act of 1937, under which marketing orders are regulated today, is largely a restatement of the provisions relating to marketing agreements of the act of 1935.

The substantive provisions of this act as they relate to milk marketing agreements have not been amended since this act was passed. In 1963 the Senate Agriculture Committee reported out a substantive amendment to that act which I sponsored and which is identical in every respect to the proposal I have called up today. It passed the Senate by a 45 to 33 margin. This was the first time that the Senate considered a substantive amendment to the milk marketing portion of the Agricultural Marketing Agreement Act of 1937. Today is the second time.

As my colleagues well know, the House of Representatives took no final action on the Proxmire dairy bill in the 88th Congress. Today we are in a situation which is exactly the reverse of that which existed in 1963-64. The House added a similar provision to the Food and Agriculture Act of 1965 yet the Senate Agriculture Committee deleted that provision from the bill we are considering today. That is the reason I am asking my colleagues to once again accept a measure they, in their wisdom, passed in 1963.

Here is how the amendment differs from the House dairy section—title I of the agriculture bill as it passed the House.

First. With respect to the entry of new producers into the market, the House bill provides only that an increase in class I sales, or forfeited bases would be made available to new producers and hardship cases. My amendment safeguards free access to a milk marketing order by providing that producers who delivered milk, but not under the order, at the time the allotment provision becomes effective under an order, would receive allotments on the same basis as those who were at that time delivering under the order.

Second. My amendment would permit cooperatives to engage in bloc voting, and I think that is in accordance with a custom which the Senate has generally approved.

Third. The House bill specifically authorizes marketing orders for manu-

factured milk. My amendment does not. After a thorough examination of the milk marketing provisions of the Agricultural Adjustment Act of 1937, I am convinced that manufacturing milk orders can be promulgated under the current language of the act.

Finally, my amendment provides for administrative review of allotments made to individual producers while the House bill does not. This is a technical difference which goes to the question of program flexibility. The pending amendment allows the administrator more leeway in applying the law.

Mr. President, I have finished my 15-minute presentation.

Mr. HOLLAND. Will the Senator yield?

Mr. PROXMIRE. I shall be happy to yield with the sufferance of the Senator from Vermont, who asked for the floor first.

Mr. AIKEN. Suppose first I ask my question, and then the Senator may yield.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. AIKEN. Mr. President, the Senator from Wisconsin has made a very able case for his amendment. However, there are two matters which should be made clear before we vote on it, so that, should his amendment become law, there will be no misunderstanding as to the intent and purpose.

The PRESIDING OFFICER. The Senator's additional minute has expired.

Mr. AIKEN. I will yield myself 15 minutes.

I will first call attention to one of the statements the Senator made, showing the amount of milk which has been purchased by the Federal Government the first 6 months of this year and comparing it to the purchases of the entire year.

Of course, the Senator from Wisconsin understands that almost all the milk is purchased the first 6 months of the year, but the figures which he presented actually indicate that less milk will be purchased this year than last year. I believe that when it comes to some dairy products, the Government is not purchasing any at all at the present time and, during the last 6 months, will even be disposing of what it purchased the first 6 months of the year.

However, to get down to my question, as I understand, the purpose of the Senator's amendment is to raise prices to the farmer without increasing prices to the consumer.

Mr. PROXMIRE. Will the Senator yield for me to reply to that part of his question?

Mr. AIKEN. I yield.

Mr. PROXMIRE. The amendment would not raise prices to the farmer. As the Senator knows, the amendment would permit the farmer to receive the fluid price for that part of his milk which goes into fluid consumption.

Mr. AIKEN. If he took advantage of the Senator's amendment, the fluid milk producer would be voting to reduce his sales of milk in the order market, is that correct?

Mr. PROXMIRE. He could obtain an allotment, and that allotment would be

related to his previous production. If he then was, so to speak, a good citizen and reduced his production so that the Government would not have to buy so much, he would still be able to sell as much as he did before at the fluid price, and he would therefore be in a better profit and loss position, but that would not increase the fluid price to the consumer.

Mr. AIKEN. But under the Senator's amendment, he would be authorized and presumably would vote to reduce his total deliveries of class 1 or drinking milk to the market, is that correct?

Mr. PROXMIRE. Of course, as the Senator from Vermont well knows, everything that he sells qualifies as class 1. The sanitary requirements are the same. But he would reduce the amount of milk he sends to the market. The amount that would be reduced would be the excess milk.

Mr. AIKEN. Is there anything in the bill which would indicate that he would reduce his total production of milk?

Mr. PROXMIRE. Nothing except that the incentive would exist.

Mr. AIKEN. An incentive to do what?

Mr. PROXMIRE. An incentive to reduce his herd's production, because on excess production, he would get a reduced price. Instead of \$4 a hundred pounds he would get a price of approximately \$3 a hundred.

Mr. AIKEN. A producer who had a favorable base would get a larger share of the class I sales. A producer who was expanding and had a poor base would be reducing his share of class I sales. Does the Senator contend that reducing the amount of high-priced milk which he sends to market and selling more of the low-priced milk would be an incentive? It is difficult for me to understand how decreasing the amount of drinking milk and increasing the amount of manufacturing milk would result in increasing income to that farmer.

Mr. PROXMIRE. What would happen would be that the farmer would reduce the amount his herd would produce. At any rate, less milk would be sold in the market area. As it is reduced—to take the situation in Chicago—instead of producing 60 percent in excess, that excess milk would be diminished down to 50 percent, or 40 percent.

Mr. AIKEN. As I understand, the reduction is supposed to be made in the high-priced milk, that is the milk that is approved for fluid consumption. Is that correct?

Mr. PROXMIRE. The reduction would be made in the excess milk.

Mr. AIKEN. But the bill would work to reduce the farmer's total production, would it not?

Mr. PROXMIRE. Yes, indeed. The incentive would be for the farmer to reduce excess production, because he would be better off economically in doing so.

Mr. AIKEN. The incentive is to reduce the amount of milk suitable for fluid consumption going to market. For a producer with a poor base, this would reduce his quantity sold at \$6 a hundred and increase the amount of milk sold at \$2.50 a hundred. I fail to see any incentive there. It may be present, but I may not be able to see it.

The idea, as I understand, is to reduce the amount of drinking milk sent into the market, on the presumption that that might raise the farmer's income. Of course it might raise the consumer's cost. Suppose he voted to reduce the amount that was supposed to be sent into the market enough to result in a shortage. Would that market be prohibited from using second-class milk to fill up any void that might be created?

Mr. PROXMIRE. The Senator is referring to the bacteria count?

Mr. AIKEN. I do not know. That is why I am asking the question.

Mr. PROXMIRE. There is no difference. The milk is precisely the same as delivered. However, under a base-excess plan the farmer would tend to reduce his production to the amount that would be sold in the area, and if we got down to the point where 90 percent of the milk being produced used for fluid, and only 10-percent excess, the danger point could be reached. The processors would then be free to negotiate a situation for farm allotments to expand production. Each producer would receive a larger fluid allotment, or other farmers could come into the market.

There is plenty of flexibility here.

Mr. AIKEN. Who would make sure that the farmers would keep within their quotas? There are many farmers who would ship into the marketing order areas. Who would police it?

Mr. PROXMIRE. The allotment would be determined on the basis of history—on the basis of what production was in the past. The bill does provide for recordkeeping. If the farmer produced and sold and brought to market his allotment, then anything in addition would simply get the excess price.

There would not have to be any additional policing, or any penalty, in my judgment.

Mr. AIKEN. Who urged the Proxmire bill?

Mr. PROXMIRE. The bill is supported by the Department of Agriculture. Secretary of Agriculture Freeman testified for it.

Mr. AIKEN. Did he ask for it?

Mr. PROXMIRE. He testified for it.

Mr. AIKEN. He did not ask for it?

Mr. PROXMIRE. In 1961 President Kennedy asked, I repeat, asked for this program. President Johnson has asked for this as part of a larger program. He was supported by the Milk Producers Federation, the National Grange, and by a number of cooperatives.

Mr. AIKEN. I do not recall the extent of the testimony of the National Grange on this subject, but I would not be surprised. They are completely sold on this program.

Mr. PROXMIRE. The National Grange has great respect and admiration for the Senator from Vermont, but they knew he had made up his mind and there was no point in arguing with him.

Mr. AIKEN. The President did not ask for this proposed legislation, did he? The Department of Agriculture did not ask for this proposed legislation, did it? Has the Senator from Wisconsin any evidence to show that either of them did?

Mr. PROXMIRE. The testimony of

the Secretary of Agriculture indicates a desire for this proposed legislation and he approved of it.

Mr. AIKEN. May I read a paragraph from the report on the bill?

Mr. PROXMIRE. Yes, indeed.

Mr. AIKEN. I shall read an excerpt from the first page of the Department of Agriculture report:

The bill also provides that producers would receive the lowest class price for milk delivered in excess of their allotments.

Then, if they cut the highest price production, where would there be an incentive; where would they gain more income; where would they make money at all?

Mr. PROXMIRE. If I may answer that question, they would make money by more economic operation. They would cull out the cows which were making for inefficient production and which did not produce much milk in any event.

They would have an additional incentive for culling out more of the older cows and operating on a more efficient basis. In this way, they would be able to reduce the numbers in their herd in relation to income. Let me say that the Secretary of Agriculture, on page 177 of the hearings, says this:

We have tried, and tried hard, to develop a comprehensive dairy program. We have worked with the dairy industry from producer to retailer; we have explored programs and legislative avenues of many kinds. Unfortunately, so far there has been little agreement within the dairy industry. As a result, no proposals have yet commanded the support necessary to be enacted into law. I know that this is a problem for the committee as it is for the administration.

Nonetheless, positive steps can and should be taken to improve the economic position of the dairyman. I believe that enactment of legislation authorizing the use of base plans in Federal milk order markets, as proposed in S. 399 by the chairman, would be a step in the right direction. In markets where producers elected to adopt a base plan, as provided for in this bill, there would be an incentive to hold down increases in milk production. This would help reduce present surpluses to the benefit of all.

Mr. AIKEN. I do not believe the Senator from Wisconsin should use up so much of my time. Let me ask the majority leader if I may have time on the bill—

Mr. MANSFIELD. Yes, indeed.

Mr. AIKEN. I should like to read what the Secretary of Agriculture said in his report.

He said:

No producers are prohibited by subparagraph (h) from marketing any quantity he desires to market.

Then in the next to the last paragraph, he says:

We believe that the proposed bill could increase incomes of dairymen slightly and reduce marketings of milk in some areas.

I agree that there are some areas where the marketing of milk has been so badly mishandled that they could not help getting more income if there were any change at all in their methods.

Mr. PROXMIRE. I agree with the Senator wholeheartedly. I would say that this is not a panacea. It will not solve all our problems. It will help to

increase farm income quite modestly and will cut costs—some \$26 million, which is not a sum of money to be sneezed at.

Mr. AIKEN. If it is enacted, it will be a small step.

Mr. PROXMIRE. I agree with the Senator from Vermont on that.

Mr. AIKEN. Can the Senator from Wisconsin tell me of one single milk marketing order area in this country where farmers would be likely to vote to reduce their production and would be benefited by such an action? Can he name one?

Mr. MAGNUSON. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. In the Chicago area?

Mr. PROXMIRE. I yield to the Senator from Washington.

Mr. MAGNUSON. I can name one. In the area of western Washington. All the co-ops there support the bill and wish to do exactly what the Senator from Wisconsin suggests.

Mr. AIKEN. They have one market for their milk there, do they not?

Mr. MAGNUSON. No.

Mr. AIKEN. A small one, maybe?

Mr. MAGNUSON. The Seattle milk shed.

Mr. AIKEN. What about the inland empire?

Mr. MAGNUSON. In western Washington most of the dairy people are located. The State grange is highly desirous of the bill. When the Senator from Vermont suggests who wishes such a bill, let me say that the U.S. Senate wished such a bill 2 years ago—

Mr. AIKEN. I will tell the Senator who wants the bill. It is a group of misfits who are looking forward to getting Federal jobs policing the program. Those are the ones who are promoting it. They are going from State to State telling the milk producers of the advantages they would receive if they marketed less of the high-priced milk and more of the half-priced milk.

Mr. MAGNUSON. I do not believe anyone in the Washington State grange wishes that. I have no applicants at all from the Washington State grange. They would like to have a good dairy program such as the Senator from Wisconsin is advocating.

Mr. AIKEN. Would the inland empire, for instance, which now markets—what? 60, 70, 80 percent—a good share of the milk as class 1. Would it wish to reduce that class 1 milk?

Mr. MAGNUSON. One of the reasons they do say and claim that there is more stability in prices and that the farmers can plan better for his herds and how he produces milk. This was the main argument 2 or 3 years ago when we passed a bill in the Senate which would create a more stable price situation for the producer.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. AIKEN. I have got some more questions.

Mr. MONRONEY. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. MONRONEY. I should like to say that the principal markets in Oklahoma support the program.

Mr. JACKSON. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Wisconsin yield to the Senator from Washington?

Mr. PROXMIRE. I yield.

Mr. JACKSON. Mr. President, I should like to corroborate what my senior colleague [Mr. MAGNUSON] has said. Both milksheds in the Puget Sound area and the inland empire have indicated through their cooperative groups that they have made, at least they support the pending legislation, and they supported it previously when it passed the Senate. The Senator from Wisconsin has indicated it is modest and is a reasonable approach, and it seems to me that it should be tried out. If it does not work, then we can try something else.

Mr. PROXMIRE. One of the biggest market areas is Chicago and Mr. McWilliams, the executive secretary of the largest cooperative selling in the area is an enthusiastic supporter and has been one of its principal proponents.

Mr. AIKEN. Yes, he has been traveling all over the country telling this story, trying to make up for his failure to get decent prices for the farmers who produce milk in the Chicago area, trying to make alibis and excuses that the laws are to blame.

Yet, Milwaukee area farmers are selling approximately 82 percent of their milk as Class 1 milk. I doubt if the high-price milk producers wish to reduce their production to make room for lower price milk from the Chicago area.

Mr. PROXMIRE. I am glad the Senator mentioned that. We have a strong cooperative, the Golden Guernsey Cooperative, which is able to do this with 82 to 85 percent utilization.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. Mr. President, I yield myself 15 minutes more.

I would like to ask the Senator why it is, if this proposal is so popular around the Chicago area, so many of the dairymen just outside the Chicago area are asking for a defeat of the amendment?

Mr. PROXMIRE. The information of the Senator from Wisconsin is that this is not so. The State of Wisconsin includes several marketing order areas. We also export more milk than the next five milk producing States combined. I am a Senator from Wisconsin, who gets out to talk to the people of my State as much as I can. I have been traveling around my State and talking with farmers a very great deal in recent years. They want this legislation. There are some differences and disputes, but, by and large, they favor this provision.

Mr. AIKEN. By what miracle did the Senator from Wisconsin acquire such vigorous support from the oleo producers for his amendment?

Mr. PROXMIRE. The Senator is referring to one of the ablest of Senators and a cosponsor of the amendment, the Senator from Arkansas [Mr. FULBRIGHT]. I am glad to have him as a cosponsor on any amendment of which I am a sponsor. The Senator from Ar-

kansas has an important dairy industry in Arkansas. He favors this proposal.

Mr. AIKEN. Of course, for every 100 pounds of milk that can be kept off the market, oleo is helped.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. AIKEN. I have not much time. I have not gotten started with my questions, but I will yield. I know the influence of the Senator from Arkansas. He has licked us before. It looks as if he might have the vote against us again. He is the greatest champion of oleo in the United States, if not the whole world.

Mr. FULBRIGHT. I appreciate the Senator's compliment.

There was debate on the oleomargarine bill. It was a friendly exchange.

I joined in offering the pending amendment because it would authorize a milk program which is good for Arkansas dairymen and good for the Nation as a whole. This amendment would authorize the Secretary of Agriculture to provide for allotments under milk marketing orders, so that producers may receive a higher return on fluid milk covered by allotments and a lower return for milk produced in excess of allotments. This pricing system would discourage overproduction and surpluses caused by the so-called blend-price system.

This plan is supported by the administration, and it was passed by the House of Representatives. I think it should be adopted by the Senate.

My interest in this amendment has nothing to do with the relative merits of oleomargarine and butter. Over 90 percent of Arkansas milk production is marketed as fluid milk. Participation in the proposed pricing system must be approved by a two-thirds vote of the farmers in each milk-marketing area. Arkansas milk producers favor the class I—fluid milk—base plan system, and I support them.

The amendment of the Senator from Wisconsin, of which I am a cosponsor, is to the advantage of fluid milk producers. In my State 90 percent of the milk is sold in the form of fluid milk. They are in favor of this amendment. If the figures which the Senator from Wisconsin has given—and he has more knowledge on this subject than I have—are correct, it will be an advantage to producers of fluid milk. This is an alternative to the present system. As he has said, it is permissive. I do not think it is to the disadvantage of butter. I have nothing against butter—

Mr. AIKEN. I know that.

Mr. FULBRIGHT. Oleomargarine still can be bought for less than 30 cents a pound, less than half the price of butter. As the Senator knows, the only reason why my oleomargarine bill did not pass many years earlier was that of unlimited debate in the Senate. It passed the House many times. It was in the consumers' interest that we enabled them to purchase the healthy spread known as oleomargarine.

Mr. AIKEN. I am glad the Senator from Arkansas has become reconciled to the use of some butter.

Mr. FULBRIGHT. I did not hear the Senator. What butter?

Mr. AIKEN. Some butter.

Mr. FULBRIGHT. Oh, it has its place.

Mr. AIKEN. Let me tell the Senator from Arkansas that if the amendment proposed by the Senator from Wisconsin should be adopted and the marketing order areas were to go ahead under the proposal, there would be much more butter in competition, if producers are required to cut down on the production of class I milk.

Mr. FULBRIGHT. I agree with the Senator. That which is least profitable should show a decline immediately.

Mr. PROXMIRE. Certainly as compared with the present situation.

Mr. AIKEN. Mr. President, my 15 minutes are going fast, and I have many questions to ask.

Assuming that a group of producer-organizations sells milk in two order areas; could they vote in both of them? There are many of them up and down the New York-Vermont boundary line. First, they will ship milk to the Boston market, and then to the New York market; they shift back and forth. Could they vote in both areas?

Mr. PROXMIRE. There is sufficient flexibility in the proposal so that the Secretary of Agriculture could permit it if they had a history. For example, if one farmer owned two farms, one selling in one market and the other in another market he should be allowed to continue as he had been doing.

We are anxious to do all we can, the Secretary recognizes this, and this would be the intent of the amendment—not to permit a dairy farmer to violate the spirit of this provision by acquiring bases in more than one market for one farm.

Mr. AIKEN. That question is rather immaterial. The next question, I think, is more important. This amendment calls for a base for marketing, not for production. Is that correct?

Mr. PROXMIRE. That is correct, but the base is established on the basis of the history of production—not of marketing, but of production.

Mr. AIKEN. Suppose a farmer has a base of 2,000 pounds a day, and half of his cows go dry. There are times when they do go dry. Could he sell his full quota?

Mr. PROXMIRE. Yes.

Mr. AIKEN. Where would he get the milk?

Mr. PROXMIRE. So long as his herd produced milk he could do it. If his herd produced it he could market it.

Mr. AIKEN. How could he do it under the Senator's proposal?

Mr. PROXMIRE. He could buy somewhere else and sell it? Is that what the Senator means?

Mr. AIKEN. Yes. It has been done for years.

Mr. PROXMIRE. Under rare and unusual circumstances, it could be done, but not in many areas. It would be unusual to have a great proportion of a herd go dry at once.

Mr. AIKEN. But if a farmer had only 40 cows, and his base covered only 36 of

them, that would mean a 10-percent reduction. He would not be authorized, under the Senator's amendment, to market all his milk for class I. As a result, he would have to use class II milk, to fill out his quota for class I.

Under the standards of the Department of Agriculture, and under State sanitation standards, as the Senator knows—and we had this matter up in 1963—the requirements for manufacturing milk are far below class I milk in many areas. However, class II milk is produced under the same 83 sanitary requirements as class I in our State.

Mr. PROXMIRE. That kind of class II is perfectly proper, but the Senator seemed to be referring to strictly class II, which would not be eligible.

Mr. AIKEN. They are not permitted to ship into the market that kind of milk.

Mr. PROXMIRE. Yes.

Mr. AIKEN. I am speaking of the class II milk which is produced on a class I quota farm, of which the producers can market all they can.

I have one or two other questions. Suppose one marketing area votes to restrict the marketing of class I milk, and the adjoining area votes not to. Could the second area ship into the first area and take up the slack created?

Mr. PROXMIRE. As the Senator well knows, it would seem to be virtually impossible, or very difficult. It would be against the interests of the farmers in the long run and against the interests of the producers. Both the farmers and the producers would be against that. All they would have to do would be to permit the farmers in the area to expand their class I base. They are always anxious to get farmers to come in. They could get plenty of milk.

Mr. AIKEN. Is there anything in the Senator's amendment to prevent areas which produced a surplus from shipping into other areas?

Mr. PROXMIRE. They can do it now. The present situation, would not be changed.

Mr. AIKEN. Perhaps I can quote Secretary Freeman to convince the Senator from Wisconsin.

When the Secretary appeared before the Committee on Agriculture, Senator MONDALE asked:

Would a class I base plan be administered to divide fluid milk sales among producers under the order at the time of the adoption of the plan or would new sources be permitted to come in freely?

Secretary FREEMAN. I think new sources could be permitted to come in freely under the bill that has been before the Senate.

Mr. PROXMIRE. I believe that is correct. But that is something else. Secretary Freeman is talking about new farmers who come in that could qualify.

Mr. AIKEN. Oh, no. He is not talking about farmers, but areas, I will read the rest.

Secretary FREEMAN. I think they would not be permitted to come in freely under the bill that has passed the House.

Senator MONDALE. Will new producers of outside milk be able to enter the market and receive its full Class I value without first having to earn a base during some specified production?

Secretary FREEMAN. The answer is the same as to the previous question.

In other words, an area reduces its production. May another area, within reach, that qualified with high production, be able to ship into that area? There is nothing in the amendment offered by the Senator from Wisconsin to prevent that.

Mr. PROXMIRE. We can go back to my answer the first time. There is nothing except the perfectly normal economic reaction, and the producers in the area who do not want to lose their market.

Mr. AIKEN. They do ship now.

Mr. PROXMIRE. They can ship now, but in the long run there will not be others coming in, pirating it away from them. There will be an agreement to get enough milk to handle the fluid market. As the Senator from Vermont indicated, they can and do ship in now.

Mr. AIKEN. They can do it now. But if they can get Florida or any other marketing area to reduce its marketing, they can ship in more.

Mr. PROXMIRE. If a particular area wants to go out of the dairy business, it is free to do it. If farmers in Florida want to go out of the dairy business, they are free to do it, and buy milk from Michigan, Vermont, or any other place.

Mr. AIKEN. That brings me to my next question. What States are covered by the amendment offered by the Senator from Wisconsin?

Mr. PROXMIRE. It would cover all 50 States, if 50 States had a desire to have marketing orders. There are some States that do not have marketing orders.

Mr. AIKEN. Would it cover California? The Senator ought to know.

Mr. PROXMIRE. I believe California has a State, not a Federal, order. But it could cover California if California wanted to come into a Federal order.

Mr. AIKEN. If California wanted to be covered. But could North Carolina?

Mr. PROXMIRE. At the present time they do not have marketing orders.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. I yield myself one-half hour under the bill.

Would the Senator from Wisconsin be surprised if I told him that there are 17 States which have State orders; that 51 percent of the milk sold in this country is sold under Federal marketing orders; and that 15 to 20 percent is sold under State marketing orders?

Mr. PROXMIRE. I understand that. It would apply to California, Nevada, and a number of other States.

Mr. AIKEN. About 17 States with State orders. They would not be covered, would they?

Mr. PROXMIRE. They would not be covered if they chose not to come under the Federal orders. It is permissive, and each State would come in. The legislation would not interfere with State marketing orders.

Mr. AIKEN. Do not producers in the Chicago area ship into the Southeastern part of the country now?

Mr. PROXMIRE. I am sure there is some shipment. I do not believe it amounts to a great deal.

Mr. AIKEN. Do Western States ship into California?

Mr. PROXMIRE. They may. I do not know the full pattern of marketing. It would not surprise me if they did. They probably do.

Mr. AIKEN. To come to another important matter, I believe the amendment of the Senator authorizes transfer of bases; is that correct?

Mr. PROXMIRE. Yes, indeed.

Mr. AIKEN. How would they be transferred?

Mr. PROXMIRE. They would be transferred usually in the following manner: If a farmer sold his dairy farm to another farmer, the bases would go along with the farm. If the farm were sold without the allotment, it would not be worth much. In another area he could sell his allotment if he sold the herd.

The Secretary of Agriculture would be authorized to set up regulations designed to prevent trafficking in allotments and the buildup of big corporation farms.

Let me read five lines from the amendment, at page 3. I read lines 19 to 24:

Allocations to producers under this subparagraph may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public, existing producers, and prospective new producers.

This language provides flexibility and establishes guidelines which would help to make the administration of this provision work well.

Mr. AIKEN. The matter of transfers would be left to the discretion of the Secretary of Agriculture. Is that correct?

Mr. PROXMIRE. But he would have to act in the best interest of the public, existing producers, and prospective new producers, as the amendment provides.

Mr. AIKEN. Suppose I have been producing milk from 50 cows and I go away for 3 years. When I come back, the Secretary could decide that any base which was not used for 2 or 3 years should be transferred, could he not?

Mr. PROXMIRE. He could, and under certain circumstances that would be perfectly equitable and proper.

Mr. AIKEN. He would be an absolute czar with respect to any areas that voted to stick their necks into the noose. Where would it have to be transferred? I do not see any restriction in the Senator's amendment.

Mr. PROXMIRE. The Senator is correct.

Mr. AIKEN. It could be sold. For instance, the Wisconsin bases could be sold to lower California.

Mr. PROXMIRE. As the Senator from Washington [Mr. MAGNUSON] has just told me, if milk were wanted in any one area, and it were found to be needed there, that would be the desirable thing to do.

Mr. AIKEN. If there was too much milk produced in the Puget Sound area, would it not be in the interest to transfer that milk to another area?

Mr. MAGNUSON. The Secretary might say "No."

Mr. AIKEN. The Senator from Washington may have control over the Secretary. Some people do not have such control.

Mr. PROXMIRE. We must assume, whether it be Secretary Benson or Secretary Freeman or Secretary Anderson, that the Secretary would work in the interest of the public and that he would not work to the disadvantage of the consumer or the producer.

Mr. AIKEN. Yes. Some Secretaries have made mistakes, but we have not had Secretaries in a long time who would do anything to the detriment of the public and deliberately go against the public interest.

If a producer should sell his base and, for example, go into the Boeing plant and work in that plant, and leave his farm without a base, how would the next operator, assuming the next man wanted to produce milk, obtain his right to produce it?

Mr. PROXMIRE. Generally he gets his right to produce on the record of past production.

He can be a farmer who has not produced, for example, class I milk, but he could have had a record of producing grade II milk who decided to go to the expense of qualifying his operation for class I milk.

If the Secretary were transferring to a new producer, he could do so on the basis of the producer finding a handler, as he does now. There would be as much free enterprise as possible. It would not be up to the Secretary of Agriculture to find a handler. It would be up to the handler to find a farmer who could do the job, or up to the farmer to find a handler.

Mr. AIKEN. He would have to buy a base to produce his milk.

Mr. PROXMIRE. He might have to do so.

Mr. AIKEN. Could the Senator estimate what a fair price would be for a thousand-pound base, in case somebody wanted his milk and no bases were available?

Mr. PROXMIRE. No.

Mr. AIKEN. Let me read from a letter from an officer of Land O'Lakes Creameries, Inc., dated September 2, just a few days ago:

I cannot for the life of me figure out how anyone in the United States could go for transferable quotas. Certainly we have mixed up the economics of marketing in the United States about as badly as possible. Up to this time we have not made the right to sell a property right. Transferable quotas would accomplish this and undoubtedly increase the cost of producing milk over a period of years. It is impossible for me to figure out why anybody would propose such a thing, although I know it has been proposed by many persons in high places and educational institutions. I hope the time never comes when the U.S. Government makes the right to sell any farm or food product a property right which in itself can be bought and sold.

That letter is signed by Gordon W. Sprague, Land O'Lakes Creameries, Inc., one of the largest butter producers in the world.

I have another question: Would the Proxmire amendment lower Government costs?

Mr. PROXMIRE. Yes, indeed. As the Senator will recall, we discussed this question in some detail in 1963. In my judgment, it would lower costs and permit the farmer to operate on a more efficient basis. He could cull out his inefficient, low producers. He could count on a particular allotment for fluid milk. It seems to me that doing so would help to reduce costs.

There would not be the temptation, in some cases, where the blend price is quite high—\$4½ or \$5—to bring in very inefficient producers. As inefficiency was eliminated, costs would be reduced.

Mr. AIKEN. Does the Senator from Wisconsin agree that milk is the largest single commodity sold from farms in the United States, and that the Government costs of the dairy price-support program, the cost of supplying the armed services and schools with milk, and the cost of supplying milk for the food for peace program amounts to only 7.7 percent of the total, compared with 47 percent on the total value of rice production, 66 percent on wheat production, 29 percent on upland cotton, and 22 percent on feed grains? The cost of the milk program to the Government is the least in this respect. The total for 1964 was \$408 million, so there has been a sharp drop in the cost in the last 2 or 3 years.

Mr. PROXMIRE. I wholeheartedly agree with the Senator from Vermont. As he knows, the dairy farmer has done an excellent job. Nevertheless, the costs to the Federal Government would be reduced; and, my amendment would help to reduce the farm program's costs in the judgment of the Secretary of Agriculture.

Mr. AIKEN. The Senator from Wisconsin knows that when \$300 million is spent for surplus dairy products during the first 6 months of a year, a good portion is recovered by resale during the last months, when there is a short season.

Mr. PROXMIRE. That is undoubtedly correct. The dairy farmers have done well, but there is still room for improvement. Nevertheless, this amendment would save money for the taxpayers and help the dairy farmers to increase their income.

Mr. AIKEN. Does the Senator from Wisconsin believe that his amendment would help to reduce a milk surplus?

Mr. PROXMIRE. Oh, yes.

Mr. AIKEN. What surplus? We are using more dairy products than we produce and have had to renege on our commitments.

Mr. PROXMIRE. The Senator from Vermont knows that up until July our cumulative purchases were about 6 billion pounds of dairy products. They are the most recent figures available.

Mr. AIKEN. What was the total for last year?

Mr. PROXMIRE. In July of last year, the comparable figure was 6.8 billion pounds. This year the figure is 6.2 billion pounds through July. The amounts are fairly close, although the total is a little less this year.

Mr. AIKEN. In the very same bill, do we not authorize the Secretary of

Agriculture to go into the market and buy up, wherever he can find it, about \$50 million worth of dairy products to meet the demands we are not able to meet with the products purchased under the price-support program?

Mr. PROXMIRE. The Senator from Vermont must realize that as we correct the situation and get the Government out of buying excess dairy products, we enable the dairy farmer to earn the kind of income that he deserves to earn.

According to the Secretary of Agriculture, the dairy farmers of Wisconsin are earning less than 40 cents an hour. That is shameful. The more the excess supply is reduced, the better the situation will be for the dairy farmers. They can then begin to earn a decent, respectable living related to efficiency, investment, and their 10 to 12 hours of work every day, 7 days a week.

Mr. AIKEN. Does the Senator from Wisconsin believe that integration or take-over of milk production by retail outlets would be helpful? And to whom? Suppose the practice is followed which has been carried on in the broiler industry. I am not talking entirely from hearsay, because the talk now is to the effect that the retail stores could go into the producer handler business and buy bases from the small producers who are squeezed out by voting to reduce their production. The retail stores would produce their own milk, just as the chainstores and other markets produce their broilers now. This bill is exactly what they want.

Mr. PROXMIRE. This bill is exactly what they do not want. What they are concerned about is that on page 5 of the amendment, lines 13 to 15, we provide:

The provisions authorized under this subparagraph may be made applicable to a regulated handler's own production of milk.

I have been discussing with another Senator the possibility of eliminating that language. I do not believe it should be taken out, because I believe we should do everything we can to provide the strongest protection for the family farm to stop vertical integration.

Mr. AIKEN. Does the Farmers Union favor selling milk bases?

Mr. PROXMIRE. The Farmers Union has never opposed that. Their concern was that the amendment did not provide the kind of assistance needed for manufacturing milk producers. I agree. That is a slice of bread, not a whole loaf. I presume they did not have any particular concern with selling bases.

Mr. AIKEN. The Senator from Wisconsin spoke about the Department of Agriculture's support. I have a report entitled "Agricultural Economics Report No. 3," prepared by the Department of Agriculture and Michigan State University.

They say:

As expected, for each farm type, profitable milk production is less under the two-price plans than under blend pricing for unlimited production, regardless of whether the farm could add land as a substitute. Smaller milk sales and lower excess milk prices would reduce farm incomes.

The title of the report is "Milk Production Allotment and Class I Base Plans." That is from the Michigan State Agricultural College, prepared in conjunction with the United States Department of Agriculture before they made the report.

Mr. PROXMIRE. Mr. President, I say, in answer to the Senator from Vermont, that I would prefer to rely on the farmers other than on professors.

The farmers know what is good for them, and unless they vote by a two-to-one vote, they will not get the program. Any time they want to, they can knock it out by a majority vote. What could be more fair?

Mr. AIKEN. Mr. President, I have a telegram from the New England Milk Producers Association. That is the largest milk producer organization in New England. They are opposed to the general farm bill, H.R. 9811. The telegram reads as follows:

BOSTON, MASS.

Senator GEORGE AIKEN,
Washington, D.C.:

New England Milk Producers Association is opposed to the general farm bill, H.R. 9811, for several years, the association's delegate body has passed resolutions against quota control of production by individual dairy farmers such as the class I base plan proposed in H.R. 9811. Even the voluntary aspect of the plan is objectionable, for mixed acceptance of the plan would create problems calling for mandatory controls at an early date. We are strongly opposed to any general exemption of producer handlers from the Secretary's milk price regulations. We understand that Congressman O'BRIEN of New York State will offer an amendment to H.R. 9811 proposing such exemption and we vigorously opposed any such possible amendment.

JOHN F. ADAMS,
General Manager,

New England Milk Producers Association.

Mr. President, I also have a telegram from what I believe is probably the largest dairy cooperative in the world. It is the Dairymen's League Cooperative Association, Inc.

It is certainly the largest cooperative in the Northeast. They have 17,000 members. They state:

Any attempt to strangle the incentive and productive capacity of our dairy industry is ill-advised and has dangerous implications for the future. Furthermore, we have seen no evidence to indicate that the dairy quota program, as proposed in the original farm bill, will provide any improvement in the net income of dairy farmers. On behalf of our 17,000 member families, we urge you to oppose any efforts to reinstate the dairy quota section in the farm bill now under consideration.

Mr. PROXMIRE. Mr. President, in 1963 the same issue was raised. We pointed out then the policies of the members of the organization, not the leadership, but the members of the Farm Bureau in New York. In every single case, a substantial majority wanted the class I plan. Even when the Farm Bureau members were polled, they voted 5 to 4 for this class I base plan, in most groups, the vote was 4 to 1 or 5 to 1, whenever they were given an opportunity to vote.

Furthermore, this plan would not go into effect unless they voted 2 to 1 in a

referendum in their area. Then it would not affect any other area.

The Senator from Vermont has quoted from telegrams and indicated that some of the leaders of this organization are opposed to the class I base plan. They have always been opposed.

Mr. AIKEN. Do leaders not count?

Mr. PROXMIRE. They count, yes. I believe their words should be listened to. However, we should also listen to the members.

Mr. AIKEN. I have here a telegram from the Farm Bureau. They are opposed to it, too.

Mr. LAUSCHE. Mr. President, the statement was made that the leaders count. That statement is dependent upon the type of economic association they promote.

Mr. AIKEN. The Senator is correct.

Mr. LAUSCHE. There are certain leaders whose word is law. There are other economic associations which have leaders whose word means nothing. I think we had an example today of a case when the word of the leader counts; and it is followed implicitly and without deviation.

Mr. AIKEN. I also have some more information. However, I do not believe that I need to have any more of the communications printed in the RECORD now.

If the amendment of the Senator from Wisconsin is agreed to and most of the order areas tried to avail themselves of it and operate under it, they would find it the worst law that they have had for a long time. I do not say that there are not one or two areas which have been so badly mismanaged they would be better off with anything at all. However, for most of them, this would be starting down the primrose path toward Utopia. I forget whether it was the friend of the Senator from Wisconsin or someone else who told the dairymen of our area of this Utopia for milk producers. However, some of the agitators who came to New England said that. All I could think of was that it was the first time that I knew of when there was a primrose path toward Utopia in the dairy industry.

Mr. PROXMIRE. Mr. President, I yield myself 5 minutes so that I may yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. MONDALE. Mr. President, I commend the Senator from Wisconsin for his leadership in this important effort to improve the lot of the dairy farmers. The figures he just cited indicate that earnings for the dairy farmer are approximately 40 cents an hour. That underscores the fact that, of all the commodity programs, there is none that is less effective in terms of farmers' income than the program for the dairy farmers of this country.

Coming, as we do, from the two States of the Union which produce more milk and more dairy products than any other State, I think we have a responsibility to speak for our dairy farmers and try to do all we can to lend our support to proposals designed to provide them with more support.

I also commend the Senator for his explanation of the Class I proposal which passed the Senate last session and which is now before the Senate in identical form.

I understand that the language of the amendment of the Senator from Wisconsin is the so-called class I base bill, which the Senator first introduced as S. 1915 in 1963, and which is identical to S. 399, a bill introduced by the senior Senator from Louisiana [Mr. ELLENDER], which was considered during the present hearings before the Senate Committee on Agriculture and Forestry.

Mr. PROXMIRE. The Senator is correct.

Mr. MONDALE. Mr. President, during the recent hearings before the Senate Agriculture Committee, I inquired of the Secretary of Agriculture whether the Senate version of the Class I Base bill would restrict or in any way limit the entry of outside milk into any marketing area. The Secretary's answer to my questions appears on pages 1366 and 1367 of the hearing record. The Secretary assured me that under the Senate bill, new producers of outside milk would be able to enter the market and receive the full Class I price without first having to earn a base during some specified production period. Is that also the understanding of the Senator from Wisconsin?

Mr. PROXMIRE. Yes, it is. The class I Base Bill would in no way change the present law as interpreted by the Supreme Court in the Lehigh case.

Mr. MONDALE. Mr. President, I ask unanimous consent that the colloquy which I had with the Secretary of Agriculture, and which appears on pages 1366 and 1367 of the transcript of hearings be printed at this point in the RECORD.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

The CHAIRMAN. Senator MONDALE, I understood that you desire to ask a few questions as to the program.

Senator MONDALE. Yes. Mr. Secretary, I know I don't have to recount the problems that our milk producers have had in Midwest. Indeed, I think that in your testimony at the outset of these hearings, you pointed out that the dairy farmer is perhaps the worst off of all of our farmers.

I was happy to see some improvement in the returns to our dairy farmers, in 1964 over 1963 but I think it still is very low. I am pleased to see the reserves of butter and powdered cheese are no longer burdensome. Indeed, I think, they are below in every case, the recommendations for national reserves.

Now, there is a great deal of discussion about this proposed class I base program and I see that the House bill, as recommended by the House committee, incorporates the so-called Poage bill. Following the Lehigh Valley case, there has been I think a very healthy development in terms of the intermarket movement of milk. As a result, milk now moves between markets into an order market easier than it did, easier than it could before.

I am worried about the restrictive features of a class I program. I must say there are certain parts of it that I think could have an appeal if we can get away from the blend price, that we might take off some of the incentive for increased surplus production. But I am afraid that there is built into the class I proposal, at least, as we see it in the

House and some have testified here in the Senate, an exclusionary provision that will have the effect of eliminating all of the encouraging interstate marketing of milk that has come about since the Lehigh Valley case.

I would like to ask you a few questions along those lines, if I may.

Would a class I base plan be administered to divide fluid milk sales among "producers" under the order at the time of the adoption of the plan or would new sources be permitted to come in freely?

Secretary FREEMAN. I think new sources could be permitted to come in freely under the bill that has been before the Senate. I think they would not be permitted to come in freely under the bill that has passed the House.

Senator MONDALE. Will new producers of outside milk be able to enter the market and receive its full class I value without first having to earn a base during some specified production period?

Secretary FREEMAN. The answer is the same as to the previous question.

Senator MONDALE. In other words, your understanding of the Senate version as we now see it is that outside milk could come in freely and earn a class I base and receive a class I price.

Secretary FREEMAN. Yes, that is my understanding. Under the Senate bill, both new producers and those who have been in the milk business but not in a given market can come in and get a base in due course as well.

Senator MONDALE. Now, can an outside milk producer ship class I milk into the milk market order area?

Secretary FREEMAN. Under the Senate bill, yes.

Senator MONDALE. And sell it in the first instance for class I price?

Secretary FREEMAN. That is my understanding.

Senator MONDALE. Well, now, what bothers me about this is that as I understand the class I program, it will be essentially constructed as follows. There will be some study made of the traditional demand for class I. Then the class I demand will be allocated among the traditional suppliers of class I and each will be allocated a class I production base. Then the handlers in effect act as a conduit, take the money from the sales and return it to the farmers. But if in addition outside milk is able to come in and receive the class I prices, it seems to me that by that fact you are dislocating part of the traditional market upon which the whole basis of the class I base system is structured. You are dislocating part of the demand. Where are those who have been allocated bases going to get their money?

Secretary FREEMAN. I cover that by saying it would be no different than it is now in any milk market order where someone can come in, and does, and what keeps them from coming in is either local sanitary regulations or transportation cost differentials. So there would be no difference between the application under this provision under the base excess plan than there is under the operation of the milk marketing orders now.

Senator MONDALE. Would you have any objection to the amendment of the class I plan that would clearly write in your understanding of its operation; that is, the Senate version, to provide that the full impact of the Lehigh Valley case is not intended in any way to be modified and that outside milk can come in and receive a class I price at the outset without any discrimination or period during which they get the manufactured milk price?

Secretary FREEMAN. I have no objection to a clarification that will continue the same treatment of outside milk as is presently provided.

Mr. MONDALE. I should also observe that the testimony of the National Milk

Producers Association, first by Mr. Lake, and later by Mr. Norton, appearing at pages 1126, 1133, and 1134 of the transcript of hearings expresses precisely the same view of their understanding of class I base bill.

Mr. PROXMIRE. That is my understanding exactly.

Mr. MONDALE. And that testimony, on behalf of this proposal, represented the consensus of most of the milk producers of this country.

I ask unanimous consent at this time that the testimony of Mr. Lake, appearing in the last paragraph at the bottom of page 1126, my question and answer of Mr. Lake appearing at the bottom of page 1133, and the response of Mr. Norton, appearing at the top of page 1134, be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Mr. LAKE. The new base provisions would not result in barriers to the movement of milk. The movement of milk from area to area is a fact of life. These movements are taking place over wider areas and to a growing degree under the present terms of Federal milk marketing orders. None of the other provisions of the act would be changed in any way, and section 8c(5)(G) of the act, as interpreted by the Supreme Court in the case of *Lehigh Valley Cooperative Farmers v. United States*, would remain unimpaired.

Senator MONDALE. I was pleased to note your testimony at the top of page 6 in which you state the federation does not wish by the proposed class I marketing plan to place any barriers on the movement of milk and to retain section 8c(5)(G) in full force and effect as interpreted by the *Lehigh Valley* case. I assume that you would have no objection if we would include an amendment in the class I proposal which spelled out the clear meaning of this paragraph, and stated in effect that regardless of anything else in the act or in this amendment the provisions of 8c(5)(G) should apply.

Mr. LAKE. I think that is about what we have said here. That none of the other provisions of this act would be changed in any way, and section 8c(5)(G) of the act as interpreted by the Supreme Court in the case of *Lehigh Valley Cooperative Farmers against the United States* would remain unimpaired.

Mr. NORTON. Senator, this section that you refer to was referred to the Department of Agriculture Solicitor's Office and the Solicitor there maintains that is what the section is—S. 399 means, and we certainly do not object to any longer opinions, shorter opinion, amendment to or inclusion in the law which clarifies this to anyone's satisfaction. We have no intent whatsoever to change the intent of the *Lehigh Valley* case.

Mr. MONDALE. All of that underscores the point of the Senator in charge of the bill as to what is intended by the sponsors and authors of this legislation as it relates to this proposal. In other words, the Senator's understanding of the Senate version would coincide exactly with that of the Secretary as expressed in his testimony before the Senate committee—that is, that an outside milk producer would be able to ship milk into any milk marketing order area and in the first instance receive the class I price without first having to earn a base?

Mr. PROXMIRE. Yes; that is my understanding exactly.

Mr. MONDALE. Some of my producers have been concerned with the introductory language beginning, "notwithstanding any other provisions of this section, and so forth." They are worried that the new class I base amendment would be made effective notwithstanding any other section of the bill including 8(c) (5) (G), which is the section cited by the Supreme Court in the Lehigh case as prohibiting any restrictions on the entry of milk into any marketing area?

Mr. PROXMIRE. No; and I am glad the Senator from Minnesota gives me an opportunity to clarify that point. That is not the intent of the introductory language. The only purpose of that language is to overcome any inconsistency which might arise from the present allocation provisions contained in section 8(c) (5) (B) of the act. The amendment would simply provide that the proceeds of the market could be allocated according to the producer's base.

Mr. MONDALE. I thank the Senator. I am satisfied that our discussion will make it clear that no new restrictions on the free entry of outside milk into any marketing area are intended by the Senator's amendment.

Let me add, however, that I find some who complain that the concept of free entry into a fluid milk market is new and unique.

Mr. PROXMIRE. It has been going on for years. The purpose is to establish with certainty that the practice will not be prohibited by the new legislation.

Mr. MONDALE. There is a considerable body of law, of which the Lehigh Valley case is the landmark case, interpreting the meaning of free access under section 8(c) (5) (G). All we are saying, in effect, is that the same law should apply to class I base plans which now applies in milk-marketing orders.

Mr. PROXMIRE. The Senator is correct. There is no change.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Washington.

Mr. MAGNUSON. There has been a great deal of discussion as to who endorses the Senator's amendment and who does not endorse it.

I am not a dairy farmer. There are many good dairy farmers in my State. But ever since I cosponsored the amendment with the Senator from Wisconsin in 1963, I have received considerable mail, not only from the cooperatives, the granges, and the Farmers' Union but from individual dairy farmers, suggesting that this was a good amendment, that it was what they wanted.

I do not know what the dairy farmers in New York may have to say through their leaders or otherwise, but I wish the Record to be clear that the Washington State Grange, which I think has closer contact with the dairy farmer than any other organization in my area, both Oregon and Washington, particularly the western part, in which there are more dairy farms, wholeheartedly sponsors the Senator's amendment, as it did 2 years ago.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PROXMIRE. Mr. President, I yield myself 1 minute.

I think it very significant that both Senators from Washington [Mr. MAGNUSON and Mr. JACKSON] are cosponsors of this legislation. They know that in British Columbia, where such a system has been tried for a number of years, it has worked very well, has helped the dairy farmer and has not hurt the consumer. It has been most satisfactory. Of course, having witnessed that program and how it works, they want it in Washington.

Mr. MAGNUSON. I am sure that if a vote were taken today, they would vote for the plan 2 to 1.

Mr. AIKEN. Was that a telegram from the Carnation people the Senator was discussing?

Mr. MAGNUSON. No, it was from the master of our State grange.

Mr. AIKEN. I misunderstood.

Mr. MAGNUSON. I did not wish to encumber the Record with it. It also contains a little discussion about the weather and other matters.

Mr. AIKEN. Fine. Mr. President, I yield myself 2 minutes.

I ask unanimous consent that there be printed in the Record a letter to me from the American Dairy Association of Vermont dated September 9, 1965, opposing this legislation.

There being no objection, the letter was ordered to be printed in the Record, as follows:

AMERICAN DAIRY ASSOCIATION
OF VERMONT, INC.,
Montpelier, Vt., September 9, 1965.

HON. GEORGE D. AIKEN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR AIKEN: The executive committee of the American Dairy Association of Vermont, Inc., at a meeting held on Thursday, September 2, 1965, directed that I write to the Vermont congressional delegation expressing their concern about the dairy section of the omnibus farm bill. The committee feels that the House version of the farm bill places all dairy promotion in jeopardy inasmuch as the class I base plan in the dairy section states that any increase in bases as a result of increased sales would first go to new producers. If the omnibus bill which is finally approved should contain such a provision the committee feels that the incentive for dairy promotion would be lost if producers cannot benefit from increased sales.

Vermont dairymen are currently contributing over one-half million dollars for milk promotion in the markets where their milk is sold. They lead the Nation in their contribution to dairy promotion. It is fundamental to the continuance of this program that the producers continue to receive the benefit from their efforts.

Sincerely yours,

EDWARD A. PETERSON,
Manager.

Mr. AIKEN. I should also like to state that there is a way the producers in the Chicago area might improve their lot. The Department of Agriculture is holding a hearing in the Chicago area, I think starting the 20th of this month, on the problem of the Chicago market area. Something is obviously wrong with it, for it to be in so much worse condi-

tion than the rest of the country. But the Department of Agriculture is starting hearings, and we hope some good will come of it. That is the right way to go about achieving better income.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

I hoped that the Senate would not take up any amendments on the milk program. The matter was submitted to the committee, and by a vote of 13 to 2, it was decided not to include a dairy section in the bill since the House of Representatives had a title dealing with milk in their bill which contained undesirable clauses. We felt that we might have a better chance to obtain desirable legislation if we did not include a title which dealt with milk in the committee amendment. I believe the same situation would prevail if the dairy title should be defeated on the Senate floor, since the Senate conferees would then have wide latitude and great bargaining power in working with the House conferees to obtain the most desirable provisions possible.

The proposed Proxmire amendment was agreed to by the Senate 2 years ago. Under the rules of the committee of which I am chairman, I submitted the language of the Proxmire amendment in a bill numbered S. 399. The so-called Proxmire bill of 2 years ago is identical with the bill that I introduced as chairman of the committee and the one that is being presented now.

It is my opinion that under the law as it now stands, that is, the Agricultural Marketing Agreement Act of 1937, as amended, the Secretary of Agriculture could provide producers with one price for their share of the class 1 milk and necessary reserves and another for their excess milk. But to make certain that the Department of Agriculture would carry out what Congress intended, I supported the Proxmire bill 2 years ago.

Under the 1937 Marketing Agreement Act, it was the intention of Congress to say to farmers who organized themselves into a milkshed, "If you get together and produce milk for direct consumption, we will see that the price of that milk will be one at which you can make a fair income."

That would have worked well practically all over the country, except in some of our Northern States, where milk production was far in excess of demand.

When the Agricultural Marketing Agreement Act of 1937 was enacted, I doubt that as many as 35 States produced sufficient milk for direct consumption. As time passed and production increased, a practice developed of establishing a blend price for milk, whereby the milk that was produced for direct consumption was added to the milk that was produced for making cheese, butter and other products, and that blend price, in my opinion, induced or actually forced the production of more and more milk.

In one of the milksheds, more specifically the Chicago area, 39 percent of the milk produced is now used for direct consumption and 61 percent is used for manufacturing purposes. That huge

amount of milk produced in excess of Class I occurred because, as I said, a blend price, made possible through administrative rulings of the Department of Agriculture, is in effect there.

The Department, in my opinion, in the early stages of the marketing program did not follow what Congress desired. I repeat, the Congress wanted to make it possible for farmers to furnish our country good, pure, wholesome milk produced under the highest of sanitary conditions, and receive good prices for it. But, the blend price forced individual farmers to produce more and more in order to maintain their income, as the blend price declined.

Mr. President, one of the most vexing problems that the Committee on Agriculture and Forestry has had to deal with in past years has been the milk program.

As I showed in the RECORD last week, the milk program has cost, since its inception, approximately \$4,750 million. In fiscal 1964, the milk program cost the taxpayers \$829 million. Although that is a substantial amount, when we consider the total value represented by milk production and its byproducts, as the Senator from Vermont has pointed out, it is much less, percentage-wise, than most other commodities on which we have price support.

Mr. President, as I said, the committee voted 13 to 2 not to take action on the milk program, but for us to proceed and try to deal with the House, since it had a provision somewhat similar to what we propose to do through the Proxmire amendment. The House bill has several undesirable features, and it would seem to me that we would fare better if we were to leave the milk provision out of the bill so that we might be in a better position to deal with the House. My fear is, as I said, and I do not know, I have never canvassed around to see who would vote for what on the milk program, but I can well see that if insistence is made to add a milk title to the bill, we may not be able to bargain as well with the House as we can by leaving it out and trying to get a compromise after the bill is enacted. I am sure that we can work our will in conference. I stated that before the committee. I am now stating it to the Senate.

I have no objection to the enactment of the bill which I personally introduced, because it is trying, more or less, to force the Department of Agriculture to do what we intended be done under the 1937 Marketing Act. Further, I supported the enactment of the Proxmire bill in 1963 very vigorously, and under different circumstances would also support the Senator at this time very vigorously. However, as I said, it is my opinion that to include this amendment in the bill will present the Senate with unusual problems in trying to deal with the House in conference.

Mr. AIKEN, Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. RUSSELL of South Carolina in the chair). Does the Senator from Louisiana yield to the Senator from Vermont?

Mr. ELLENDER. I yield.

Mr. AIKEN. Apropos of what the Senator has said regarding the cost to the Government, let me point out that in 1963 the cost of the price support and related programs was \$431 million. In 1964 it was \$599 million. In 1965 it is estimated to be \$288 million, so the cost is coming down.

Mr. ELLENDER. Mr. President, I have before me the hearings of the Agricultural Appropriation Act for 1966 and I ask unanimous consent to have a tabulation therein printed in the RECORD at this point; it appears on page 308, part I of the agricultural appropriations bill for 1966.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Net realized losses and funds used for activities directly involving dairy products fiscal year 1964

Agricultural Stabilization and Conservation Service (Commodity Credit Corporation)

Price-support program, net realized losses:

Payments to Veterans' Administration and armed services under sec. 202 of the Agricultural Act of 1949, as amended, for fluid milk used in excess of normal requirements and donations of other dairy products:

	Millions
Butter.....	\$17.4
Cheese.....	1.3
Milk, fluid.....	26.5
Total.....	45.2

Donations from CCC inventories under sec. 416 of the Agricultural Act of 1949, as amended:

Domestic:	
Butter.....	108.3
Cheese.....	50.4
Milk, dried.....	29.3
Total.....	188.0

Foreign:	
Butter.....	25.0
Butter oil.....	98.8
Cheese.....	1.9
Ghee.....	5.6
Milk, dried.....	100.9
Total.....	232.2

Other price-support losses:	
Butter.....	49.5
Butter oil.....	1.9
Cheese.....	3.8
Ghee.....	.1
Milk, dried.....	41.9
Total.....	97.2

Total, price-support program..... 562.6

Commodity export program, net realized losses:

Milk, dried.....	29.7
Butter and butter products.....	6.9
Total.....	36.6

Public Law 480:

Title I: 1	
Milk, condensed.....	12.6
Milk, dried.....	7.5
Milk, evaporated.....	3.0
Butter and butter products.....	.9
Cheese.....	.1
Total.....	24.1

Net realized losses and funds used for activities directly involving dairy products fiscal year 1964—Continued

Public Law 480—Continued

	Millions
Title II:	
Milk dried.....	\$8.9
Butter and butter products.....	11.9
Cheese.....	.5
Total.....	21.3

Title IV: 1	
Butter and butter products.....	1.4
Milk, condensed.....	.7
Milk, evaporated.....	.2
Total.....	2.3

Total, Public Law 480..... 47.7

Consumer and Marketing Service:
Special milk program for children..... 97.1

Removal of surplus agricultural commodities (sec. 32):	
Butter.....	52.8
Cheese.....	23.9
Milk, dried.....	8.3
Total.....	85.0
Total.....	829.0

¹ Amounts shown represent gross cost—do not reflect recoveries from sales of foreign currencies under title I and collections under title IV.

Mr. ELLENDER. Mr. President, the table states that the net realized losses and funds used for activities directly involving dairy products for the fiscal year 1964, and it shows the various programs for which we spend money for milk, including the separate appropriations which are made.

The total amount is \$829 million for fiscal 1964.

Mr. AIKEN. For what year?

Mr. ELLENDER. Fiscal 1964.

Mr. AIKEN. Yes, but that is the total, including food for peace.

Mr. ELLENDER. I know, but that is—

Mr. AIKEN. The figures that I was reading concerned support prices.

Mr. ELLENDER. That is the total cost—for school milk for children, milk selling under special laws, at a bargain to the Army, Navy, and Air Force—also section 32—there is a lot of milk—

Mr. AIKEN. The Senator is correct.

Mr. ELLENDER. Purchased under section 32, and it includes the entire cost.

Mr. AIKEN. Both figures are correct, I believe.

Mr. ELLENDER. The Senator is correct. I am sure that my good friend the Senator from Vermont knows there is another provision in the bill before us which would give the Secretary of Agriculture the right to purchase milk and milk products in the open market in event that the surplus runs out, but I believe—

Mr. AIKEN. That would really do some good because we have no surplus at the present time.

Mr. ELLENDER. Yes—but I favor it. The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. If the Senator from Vermont wishes to yield back the remainder of his time, I will—

Mr. HOLLAND. Mr. President, if someone will yield me a few minutes, I should like to ask—

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 minutes.

Mr. HOLLAND. Mr. President, most of the inquiries and complaints which have come from my State—and there has been some support from my State as well—but the complaints have been against what they regard as an invitation to the shipment of milk from south of the State. At present, we have one milkshed—the Miami milkshed, under the Federal marketing order. Two others are in contemplation. They are working on them. Apparently, there are many dairymen who are fearful that coming in under this bill, if it were to be enacted, would open the door to the shipment of large quantities of outside milk into those two new milkshed areas which would cover most of the highly populated portions of the State other than the Miami area, which is already covered.

I should like both of my distinguished friends to comment upon this, because it seems to be a matter of substantial concern to some of my dairy people.

Mr. PROXMIRE. Let me say to the Senator from Florida that I believe his is a perfectly proper concern, but my best judgment is that this amendment would have no effect whatsoever on that problem. It would not change the present milk marketing situation one way or the other. The situation would be precisely the same that maintains now. There is a possible hypothesis that I believe the Senator from Vermont may or may not espouse; that it is conceivable that the farmers and the marketing order area in Miami may, under this kind of situation, choose to reduce production quite sharply. It is also possible that they might even decide to go out of the dairy business. They might of course do so now without this amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. Under those circumstances it is possible that more milk would be shipped in. But this is most illogical and certainly would be against the interests of the farmers and handlers. I think there would be every expectation that the matter would be handled in such a way that they would continue to produce the fluid milk they need in the Florida area. They might decide to reduce the excess, but it would not have a significant effect on the flow of milk into Florida.

Mr. HOLLAND. We have very little excess production, and milk is expensive in Florida.

Mr. PROXMIRE. Then I do not think it would have much effect in Florida.

Mr. HOLLAND. The standards are high. The great percentage of the milk—my recollection is 90 percent—is consumed as liquid milk.

The concern manifested by certain dairymen who have communicated with me is that the bill, if it is followed by

bringing these two areas into the milkshed, would be an invitation to receiving milk from other producing areas where the milk is not so good.

Mr. PROXMIRE. This provision would enable the Florida farmers to preserve this good condition, and not diminish their blend price. Many marketing order areas have started that way, but have deteriorated. There is no reason why there should be an increase of milk going into Florida in view of the fact that the producers in Florida are interested in this matter and are undoubtedly capable of taking care of the situation now.

Mr. AIKEN. Mr. President, I was about to say—

The PRESIDING OFFICER. All time has been used, unless the Senator wishes to yield time on the bill.

Mr. AIKEN. I yield 2 minutes on the bill.

I was about to say, in response to what has been said by the Senator from Florida and the Senator from Wisconsin, that any Federal market order area where the producers vote to reduce their production of class I or drinking milk would be subject to invasion of surplus milk from other areas.

Mr. HOLLAND. Mr. President, if I may have 1 minute on the bill—

Mr. ELLENDER. I yield 1 minute on the bill.

Mr. HOLLAND. Just what does the Secretary mean in his testimony in which he contrasts the situation between the House provision and this provision, referred to as the Proxmire provision, by saying this provision would invite flowing in of milk across a State line and the other would not?

Mr. AIKEN. The Secretary spoke on that subject, because the provisions of the House bill would virtually prohibit the importation of milk from outside an area that had voted to reduce its Class 1 production. That is the principal difference between the House provision and the provision of the Senator from Wisconsin.

Mr. HOLLAND. I thank the Senator.

Mr. PROXMIRE. Mr. President, I have 4 minutes remaining, I believe. I yield 1 minute to the Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, I do not know how the pending amendment would apply to Virginia, but our farmers say it would help them and the producers. Therefore, I shall vote for it.

Mr. President, on another matter, we have an amendment, No. 441, by the Senator from Maryland [Mr. BREWSTER], which would limit all payments from all sources to \$10,000. Back in 1949 I voted to end this program of supports. Following that, not only did it not end, but it grew bigger and bigger. I do not think \$10,000 is very much. I send to the desk an amendment to the amendment which would raise the amount to \$25,000 and provide that there shall be no payment after January 1, 1967, to any corporation.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. LAUSCHE. Mr. President, will

the Senator from Vermont yield for a question? May I have 2 minutes on the bill?

Mr. AIKEN. Yes, if it comes out of the time on the bill.

Mr. LAUSCHE. The mail and telegrams which I am receiving indicate that the small milk producer is against the Proxmire amendment and the large producer is for it. I have my own surmise as to the cause of the divergence of views. Will the Senator from Vermont give me his understanding of the reason for this divergence of views?

Mr. AIKEN. I think it is easy to see why. If the small producer, one milking 20 or 40 cows, was forced by the majority to reduce his production 10 percent, it would put him out of business, because his capital costs would not come down at all, and the dealer and handler, the retail store and chain store, and any other organization would come in and pick up that farmer's base, and pretty soon they would control the whole business. They have that in mind, too.

Mr. PROXMIRE. Mr. President, I yield myself 1 minute.

Answering what the Senator from Vermont has said, in order to have such a catastrophic effect on the farmer forum there would have to be a 2-to-1 vote of the producers and farmers in the milk marketing area. There are more small farmers and producers than big ones. If the small producers do not want this program, it will not go into effect. Only if the small producers, and some big ones, want it, will it go into effect. Cows do not vote. Acres do not vote. Each individual farmer, however small, has as big a vote as the biggest farmer. It is one farmer, one vote.

Mr. AIKEN. Does the Senator believe that in any State where there are marketing orders under State law they should continue to operate under those marketing orders?

Mr. PROXMIRE. Of course. This amendment would not affect that.

Mr. AIKEN. The American merchant will be glad to have that defense of section 14(b) by the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin has 2 minutes remaining.

Mr. PROXMIRE. Mr. President, if the Senator from Vermont is willing to yield back his time, I shall be glad to yield back my time.

Mr. AIKEN. I am glad to yield back my time.

The PRESIDING OFFICER. All time on the amendment has been either yielded back or exhausted.

Mr. MILLER. Mr. President, I send to the desk an amendment to the amendment of the Senator from Wisconsin, and ask that it be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. It is proposed on page 3, line 19, to strike out everything beginning with the word "Allocations" through the period at the end of page 3, line 24, inclusive.

Mr. MILLER. Mr. President, I would like to say to my colleagues that I have

three amendments I propose to discuss, though very briefly. I hope the Senator from Wisconsin will accept them. I do not expect to take a long time on the amendments.

I was one of two members of the Agriculture Committee who voted against the deletion of the dairy title from the agriculture bill. I felt that the committee should have considered the dairy title and should have worked to perfect it rather than delete it. My amendments are the very amendments I had planned to offer in committee if the title had been left in.

I appreciate the fact that a great amount of time and effort have gone into what is known as the Proxmire amendment. I do not know whether it would work or not, but it has a meritorious theory behind it. I for one did not like to see short shrift given to it. I refer to the transfer of allocations on page 3 of the language which I find undesirable, as follows:

Allocations to producers under this subparagraph may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public and prospective new producers.

My difficulty with this language is that I am opposed basically to a system of transfer of allotments and allocations.

There was a title in the bill which would have covered the transferability of allotments of acreage. The committee deleted this title for several reasons. One reason was that where there was set up a system of transfer of allotments, it lays the foundation for the larger farmer to grow bigger and the small farmer to go out of business.

In other words, I believe, insofar as the assurance that the Secretary of Agriculture would not take action against the public interest is concerned, this provision lays a foundation for just such an occurrence. What operates in the public interest and what does not operate in the public interest can mean many things to many people.

The Secretary of Agriculture may think one thing; the Senator from Iowa and the Senator from Wisconsin and many other Senators may think something else. I believe it is a dangerous precedent to set up a foundation for the transfer of these allotments.

There is another aspect. It lays a foundation for more corporation farming, and we are trying to get away from that and preserve the family farmer.

I believe the best guarantee of that assurance is to delete this language altogether. I cannot see that it is going to interfere with the basic thrust of this legislation. That is why I hope the Senator from Wisconsin will seriously consider accepting my amendment to his amendment.

Mr. PROXMIRE. With great regret I must tell the Senator from Iowa that I do not support his position on this amendment.

I can understand his argument for his amendment, but I feel strongly that if allocations are not transferable, the capacity of a dairy farmer to sell his farm

could be destroyed. If a dairy farmer wants to sell a farm organized for dairy production, in terms of equipment, plant, herd, and so on, say in the Miami area, which sells 90 percent of its milk for fluid purposes, the Miller amendment means that a dairy farmer could not transfer his allocation to the farmer who bought the farm. He could not transfer at all. He would suffer an economic loss.

Furthermore, if a dairy farmer sold a part of his herd, he should be able to transfer his allocation if it was used to produce class I milk. To stop him from doing this would not be practicable or fair, and would almost be taking property without due compensation.

I must oppose the amendment offered by the Senator from Iowa.

Mr. MILLER. I regret that. But I point out to the Senator from Wisconsin that I do not believe his answer has been quite responsive. It is my understanding that, even with this language deleted from his amendment, the present law provides for transfer rules under marketing orders which permit the farmer to transfer his allocation under those rules.

So I do not believe the deletion of this language is necessarily going to do what the Senator from Wisconsin says it would do.

Mr. PROXMIRE. I say to the Senator from Iowa, with respect to his position, that such an interpretation can be put on the Department of Agriculture regulations—there are no allotments now. Whether such rules would be implicit in the market order law of 1937, is the subject of debate. I am not sure they would be. At any rate, if the Senator's position is correct, I cannot see that it has to do with any language on page 3, lines 19 through 24.

This provides that the Secretary of Agriculture may allocate allotments on the basis of certain general guidelines.

Mr. MILLER. I say to my friend the Senator from Wisconsin that I am not interested in adding to the transfer of allotment problem.

My understanding is that present transfer rules are entered in the order as base rules in certain areas, and that the permission to do so has been so interpreted under basic law, and that in these cases a transfer of an allocation is permitted.

If a farmer wishes to sell his farm to someone who wants to come on that farm, he can make that transfer. I believe in that limited situation this is all right.

It is getting away from the situation where he can sell to somebody else and provide a foundation for allocation in corporate farmers.

Mr. PROXMIRE. I cite the case of a farmer—and this is true in Wisconsin, Iowa, and many other States—who retires and has a son who wants to maintain the farm.

The son has a job in a factory and he cannot maintain the dairy farm. He has to take too much time at work. He could maintain a farm for production of some crops, but not dairy farming.

In this case the farmer sells his herd, and the value of the herd would dimin-

ish sharply if the farmer could not sell along with it an allotment to sell milk. He might have to sell outside the State. The situation might be very difficult.

Furthermore, this language permits workable flexibility.

Mr. MILLER. I say to the Senator from Wisconsin that I, too, am sympathetic about the situation in the example which he just gave us. If he is going to follow the logic of his example, this means that if the farmer can sell to a corporation or another large farmer this is all right.

I understood that that was what we were trying to get away from. If the farmer's son wishes to work in a factory and make fine wages, and wants to get away from dairy farming, that is all right. Let him do it.

Mr. PROXMIRE. This is why we asked the Secretary of Agriculture to exercise discretion.

Furthermore under the present law there is nothing to keep a farmer from selling out to a corporation selling milk in a marketing order area. This amendment of mine would not affect this situation at all.

Mr. MILLER. Does the Senator from California have a question?

Mr. MURPHY. The Senator has answered the question.

Mr. MILLER. If the Senator from Wisconsin is willing, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. MILLER] to the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

The amendment to the amendment was rejected.

Mr. MANSFIELD. Mr. President, I yield 1 minute to the Senator from Washington.

Mr. JACKSON. Mr. President, I rise in support of the amendment offered by the Senator from Wisconsin to the omnibus farm bill. Dairy farmers in my State have for a number of years wholeheartedly supported the principles of this amendment as has the National Milk Producers Federation, which represents on a national basis the vast majority of dairy farmers and their cooperatives.

Senator PROXMIRE's amendment is more commonly known as the dairymen's class I base rating plan. It is a piece of legislation which dairy farmers throughout the Nation have almost unanimously supported. They want and need this program and they should have it. The dairymen's class I base rating plan is one of the few major legislative efforts which will result in absolutely no cost to the Government and at the same time will result in no increased cost to the consumer. This is a voluntary plan which could only be used if it were approved by two-thirds of the producers voting in a Federal order market and would result in self-imposed incentives to cut back on the production within that market.

This plan would allow a dairy farmer to relate his production to class I or

bottled sales in a Federal order market. Under this plan it would be possible for any individual farmer supplying a Federal order market to more nearly gear his production to the needs of the market. He would be free to produce as much or as little milk as he pleased but, if he produced milk in excess of the requirements of the market and in excess of his class I base, he would receive a lower manufacturing price for that milk. In this way his excess production would not adversely affect the price that was received by other dairy farmers.

This program passed the Senate in 1963 by a substantial margin. I co-sponsored the bill which passed the Senate. The House, however, failed to act on the bill. This year, however, is a completely different story. Title I of the House omnibus farm bill contains provisions similar to those provided by Senator PROXMIRE's amendment.

I certainly hope the Senate can support this program again, especially when nearly unanimous dairy farmer support has prevailed.

The dairymen's class I base rating plan affects only one portion of Federal milk marketing orders and, moreover, it only affects markets where the majority of dairy farmers elect to use the program. It provides a new and modern method of distributing money among the farmers based upon their performance in meeting the requirements of the fluid milk market.

In view of these considerations the amendment offered by the Senator from Wisconsin deserves the support of every Member of the Senate. It could result in considerable savings to the Federal Government in its supporting cost of the dairy program. It will result in no increase in cost to the consumer and will serve to stabilize the dairy industry on a market to market basis.

I, therefore, strongly endorse this amendment and express the hope that it receives unanimous approval.

I also want to call to my colleagues' attention an article that appeared in the September 1965 issue of *Farm Journal*, comparing the operation of a class I base plan in Vancouver, B.C., with the Washington State situation where such a plan is not in effect. I believe this article is a useful description of the value of a class I plan and I commend it to the attention of the Senate.

I ask unanimous consent that the article be printed.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A TALE OF TWO MARKETS

(What happens to dairymen when they switch to a base plan, like the one now before Congress? This will help you decide, as we compare two markets—one with quotas, one with a Federal order.)

(By Glenn Lorang)

The most important dairy legislation in 30 years (if enacted) will be up before Congress as you read this. It appears that the class I base plan will pass, riding through Congress on the omnibus farm bill.

With this plan for pricing milk, a dairyman will be allotted a milk base—his his-

torical share of the fluid milk sales in his market—for which he gets the class I price. The excess milk he produces above that base would bring class II (manufacturing milk) prices, considerably lower than the class I price.

Purpose is to take the incentive out of increasing production. For example: Suppose that class I milk is bringing \$5 per hundred weight, class II is \$3 and that 50 percent of the milk is going into fluid class I uses.

Under present Federal order markets, the blend price would be \$4, since half would go into fluid use at \$5 and the other half into manufacturing at \$3. You can expand or cut production and still you get only \$4. There's no incentive to cut back to the needs of your fluid milk market; and since the only way to increase income is to produce more milk at the \$4 blend, there is an incentive to produce more.

As more dairymen do this, the proportion of milk that can be sold for class I use falls below 50 percent, and the blend goes below \$4. Thus the need to produce even more milk to maintain the same income.

But with the class I base plan, you'd get the \$5 for your class I base milk and only \$3 for the class II excess. That's what will influence many dairymen to either cut back to the class I base, or at least not expand unless their base is increased, or they buy more base.

Supporters of the legislation say it will:

Reduce the milk surplus (and Government costs) without increasing consumer prices for bottled milk.

Maintain freedom for dairymen, because they can produce as much or as little milk as they want to.

Slow the race to get bigger. Expansion would be profitable only if you get more base, or if you can make money at class II prices.

Provide a retiring dairyman with a base that he can sell when he sells off the herd.

Those against the plan argue that it will—Add to the cost of getting started in dairying. Beginners may have to buy their base, or earn it by producing at class II prices for a while.

Stimulate corporation farming by those who can afford to buy larger bases, unless a limit is put on such buying.

Give a big windfall to the farmer who happens to be dairying now and therefore has a base he can sell.

To see which of these claims and counter-claims hold up in actual practice, I went to two markets. One was the British Columbia market in Canada where a class I quota plan has operated since 1962. The other was the Puget Sound Federal order market directly across the border in northwestern Washington, which has operated since 1952.

The two areas have a lot in common. Both lie in the heavy rainfall belt, both ship in hay from east of the Cascades, and both produced more milk than they could sell in bottles—about the same percent more.

But that's where the similarities end. Puget Sound is now a surplus-burdened market and getting worse; the Canadians are tuning production to demand, as you can see in the table at left below.

This was no scientific test; other things like population trends, promotion and retail prices can affect milk consumption. But the trend is clear.

Since starting the quota plan, the Canadians have increased the percent of milk utilized for fluid to 54 percent this June; Puget Sound's percentage was the lowest in its history in June—37.4 percent. Canadian dairymen now get 40 cents per hundred-weight more than Puget Sound dairymen for class I milk, 70 cents more for their blend price. But a higher percentage of the Ca-

nadian dairymen quit, probably because they could sell both cows and bases.

"Our class I quota plan did not guarantee life for the small producer," says J. D. Honeyman, a farmer-member of the three-man British Columbia Milk Board. "But overall, we feel it is hard to beat." He tells what it was like before the quota era: About 300 producers selling to high utilization dealers were getting 80 percent of their milk into the fluid market; the other 4,000 had to settle for only 40 percent.

"Now the market is stabilized, and everyone gets his fair share of class I sales, according to his quota," says Honeyman. Canadian dairymen say their quota plan has stopped the race to expand, which has plagued the Puget Sound market, and most Federal order markets.

Most of the Canadian dairymen now get more for their milk, but not all of them. "It hurt us a bit," says Jack Hougen, a 60-cow dairyman in British Columbia. The quota plan lowered his prices by \$1 a can because he'd been on a 100 percent class I utilization market. "But small shippers are getting about \$1 a can more now; it's been good for the area as a whole."

Now let's take a look at the Puget Sound market on the U.S. side of the line:

Puget Sound production has continued to climb, up again 3.3 percent in June 1965 over the previous June, while the amount of milk used for class I fluid dropped by 2 percent.

That spells trouble for dairymen, and those in the Puget Sound market know it. Yet they go on adding cows and feeding better to fight lower blend prices with that familiar weapon—more production. "This increased production has caused most of our problems," says Gordon Laughlin, of Consolidated Dairy Products, the marketing arm of United Dairymen's Association.

"A base quota would have kept down the size of our shippers, and the amount of class II milk," agrees dairyman Harold Knight, Whatcom County, Wash.

But not all producers blame the Federal order for all the surplus milk in the Puget Sound market. Some blame the co-op that has negotiated as much as a 74-cent premium over the Federal order price for class I milk.

The truth is probably somewhere in the middle. But the result, either way, has been to encourage more dairymen to retail their own milk to get more for it. There are now 43 such producer-handlers in the Puget Sound market, more than twice as many as in 1958. They sell 7 percent of all the fluid milk.

"We had to regulate the producer-handlers," says E. C. Carr, chairman of the British Columbia Milk Board. Laughlin, of Consolidated Dairy Products, in Seattle, explains why he thinks that is also necessary in Puget Sound.

"Every 100 pounds of milk the producer-handler sells is costing our producers 3 cents per hundredweight and that is increasing."

Producer-handler Floyd McKennon, Snohomish County, Wash., is currently leading the fight against co-op domination. He markets about all the milk from his 600-cow herd through his attractive drive-in Milk Barns in north Seattle.

McKennon argues that he doesn't add to the milk surplus because he restricts production to his fluid sales. He's fighting the class I base plan, sees it as a tool that would force him to double his herd in order to produce enough class I milk for his business.

Actually, the plan before Congress so far specifies no change in status for producer-handlers.

Milk bases will be worth gold if the new plan goes into effect. In Canada, a base has sold for as much as \$23 a pound of daily quota. Current value is around \$18. This

means the base on a \$300 cow that averages 50 pounds of milk a day would be worth nearly \$1,000.

Of course, that purchased base lasts indefinitely—long after the cow is dead—so it's a good investment. But this cost cuts down on the income from your class I base if you have to buy it.

Speculators thrived on bases in British Columbia until last year when an order was passed forbidding a producer from transferring his quota unless he has been licensed (all producers are licensed) by the milk board for at least 5 consecutive years. Two exceptions: health reasons, or if he sells the whole herd.

The base plan, as it comes out of Washington, will not spell out much detail on operations. "Nuts and bolts" will be worked out in the individual Federal order markets. The base plan will:

1. Be restricted to Federal order markets, or grade B milk markets where a classified system of pricing is used. That's where grade B producers get one price for manufacturing milk used commercially, and a lower price for that going to the Government.

2. Require a two-thirds "yes" vote of all dairymen in a market to be adopted. No bloc voting, where a co-op could vote for all its members.

3. Give the Secretary of Agriculture ap-

proval or veto power over any class I base plan worked out in Federal order markets.

4. Allocate any increase in class I usage in a market first to new producers or "hardship cases." Any left over would go to established producers.

5. Allow a producer to underproduce without losing any base.

Will a class I base system affect the amount of outside milk shipped in? Under law, a Federal order cannot establish a barrier to outside milk. But producers in unregulated markets would probably have to acquire a base in order to enter a Federal order market.

How hard that would be would depend on how hard dairymen in a Federal order market made it, and you could hardly expect them to make it easy. The net result would probably be more milk barriers.

It will take a while to initiate the new class I base system. First, specific plans for each Federal order market must be developed. Then, as happened in Canada, it will probably spend time in the courts.

"Ours has been in and out of the courts for 4 years, but each time it was upheld," says E. C. Carr, milk board chairman in British Columbia.

Dairyman Kaye Andrus, in Connecticut, sums up the thinking of many U.S. dairymen:

"One bill can't solve it all, but I'm willing to try anything. It can't go on this way."

	British Columbia		Puget Sound	
	1961	1964	1961	1964
Blend price (4 percent butterfat).....	\$4.56	\$4.60	\$4.42	\$4.26
Class I price.....	\$5.96	\$5.98	\$5.69	\$5.48
Percent milk used in class I.....	50.2	52.3	48.1	44.8
Total production (pounds).....	479,000,000	480,000,000	1,100,000,000	1,300,000,000
Number of producers.....	2,119	1,692	3,236	2,728

Mr. LAUSCHE. Mr. President, how much time is left on the bill?

The PRESIDING OFFICER. Ninety-two minutes remain to the proponents, and 153 minutes remain to the opponents.

Mr. MILLER. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5 of the Proxmire amendment, No. 438, it is proposed to strike out lines 13, 14, and 15, inclusive, as follows:

(vi) the provisions authorized under this subparagraph may be made applicable to a regulated handler's own production of milk.

It is proposed to renumber succeeding paragraphs accordingly.

Mr. MILLER. Mr. President, the amendment would strike from the Proxmire amendment the language on page 5 in lines 13 to 15, inclusive.

By doing so we would keep the law exactly as it is now. I assure Senators that I have discussed the amendment with representatives of many milk producer associations, those who are in this business, and some of whom favor the Proxmire amendment. There is absolutely no objection to the amendment by those people. They wish to leave the law exactly as it is now.

I suggest that that is the way it should be, because any action we take which might result in a different interpretation than presently exists would be premature.

Last year Congress established a National Food Marketing Commission. The

purpose of the commission is to examine into all facets of food marketing, including dairying, production, and the various areas of the marketing of food products.

I know that problems exist in the dairy industry with respect to producers and handlers. Let us allow the Food Marketing Commission to make its findings and determinations and submit its recommendations. Not until then will we be in a position, intelligently, to evaluate what should be done.

I believe that the language of the amendment of the Senator from Wisconsin should not be in the bill. I hope he will consider removing it.

Mr. PROXMIRE. Mr. President, I object to the amendment of the Senator from Iowa. I do so because we tried hard in 1963 and have tried hard this year to frame language that would conform with the present practice of the Department of Agriculture. Only this afternoon, my staff spoke with representatives of the Department of Agriculture. They said the Secretary of Agriculture can now include producer-handlers under marketing orders. This is just what the language on page 5, lines 13 through 15 does. It reads:

The provisions authorized under this subparagraph may be made applicable to a regulated handler's own production of milk.

I feel strongly that this language should be in the bill because, as was brought out in the colloquy with the Senator from Vermont, we are anxious to prevent any integrated type of dairy farming from developing on a big scale.

We have a real fear that without a continuation of this kind of policy in the Department of Agriculture, it is possible that big chainstores and other marketers may get into this field, to the great detriment of the family farm, and have a serious, unfortunate effect on family farming as we know it today.

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I wholeheartedly endorse the viewpoint of the senior Senator from Wisconsin. The provision contained in the Senator's class I proposal incorporates existing law. In the Ideal Farms case, in the third circuit, it was held that existing Federal milk marketing order statutes authorized the regulation of so-called producer-handlers. It is hard to see how the order system could work if the Department could not regulate the marketing of a producer's own milk.

The committee did not consider in the hearings the proposal of the Senator from Iowa, although he proposed it at one point, because we did not reach the juncture where extended hearings could be held on the meaning of his amendment. But it seems to me that the Senator from Wisconsin is correct. The whole theory behind the Federal milk marketing order system is that through administrative action it is possible to increase the return that can be paid to the farmer.

If certain groups are exempt from the order system, it means that they will have a lower cost for milk produced than their competitors under the order system. That amendment would exempt the large companies, namely, those that are big enough to be producers and handlers, and who own the whole chain from owning the herd to the distribution to the consumer. We can take judicial notice that most farmers, are not large enough operators to own their own handling systems. Thus one can envision situations such as this: A large grocery chain in a major community may decide that it wants to be a producer and a handler. It establishes its own dairy herd, and because it is not regulated, it could, if the Miller amendment were adopted, sell its milk at a much lower cost than for handlers regulated under the marketing order.

So it seems to me, without hearings on the proposal, that the amendment of the Senator from Iowa would lead to integrated farming and, in my opinion, would endanger the whole marketing order structure. I believe that it is not only contrary to existing law, but might also result in a host of dangers that would be difficult to deal with.

Mr. MILLER. Mr. President, I yield myself as much time as I need.

I cannot quite follow the logic of the Senator from Minnesota. The Senator from Wisconsin [Mr. PROXMIRE] says that this part of the bill reflects the present state of the law. If it reflects the present state of the law, why is it necessary to have the amendment in the bill?

Mr. MONDALE. Mr. President, will the Senator from Iowa yield?

Mr. MILLER. I yield.

Mr. MONDALE. As I understand it, it is the view of the Senator from Iowa that the present law exempts producer-handlers.

Mr. MILLER. No, I have not said anything to that effect at all.

Mr. MONDALE. Is it the Senator's view that present law is such that the producer-handler is regulated?

Mr. MILLER. It is my understanding that the Secretary of Agriculture has interpreted the present law as the Senator from Wisconsin stated it to be interpreted. If that is so, I cannot follow the Senator from Minnesota, when he says that to take this language out will make a difference in what we have right now.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. MILLER. I yield.

Mr. MONDALE. Does the amendment of the Senator from Iowa seek to exempt producer-handlers from the order system regulation?

Mr. MILLER. No. It seeks to leave the law exactly as it is now, as I think it should be, until the Food Marketing Commission submits its recommendations.

So long as the Senator from Minnesota has raised this point, let me make this statement: The language of the amendment of the Senator from Wisconsin reads:

The provisions authorized under this subparagraph may be made applicable to a regulated handler's own production of milk.

What about a regulated handler who is not using his own production of milk but is using someone else's production to make up a deficiency? What would the Senator propose to do in a situation like that? To answer that question, one would probably have to go through the briefs of a good many cases. That is what happens when language like this is placed in a bill in an attempt to play around with existing law. I suggest it is premature and unnecessary to have such a provision. I do not know why the Senator from Wisconsin persists in retaining it.

Mr. PROXMIRE. I understand the Senator's point. I believe a strong argument could be made that the law already specifies what is contained on page 5 of my amendment, lines 13 through 15. If that is so, why take it out? Why change it?

Furthermore, I agree with the policy of the Secretary of Agriculture. I believe it is right. I believe in the family farm. I have seen what has happened to the family farm in the broiler industry. I do not want to see it happen to the dairy industry. I think it is important to the family farm that this language should remain.

Mr. MILLER. If this language is left in the bill, we shall not quite be doing what the present law requires, because we shall have written into the bill:

The provisions authorized under this subparagraph may be made applicable to a regulated handler's own production of milk.

What shall we do about a regulated handler who handles not only his own production, but somebody else's, as well? We shall automatically have opened the bill up to something new.

Mr. PROXMIRE. If he is handling someone else's production, that is perfectly all right. He is not a producer-handler to that extent. So long as he is not handling his own, there is an arm's length situation in which he is dealing with a farmer-producer, and I do not believe that that situation should necessarily be covered.

Mr. MILLER. Perhaps it should not be, but this is by no means clear in the present state of the law. I am advised on good authority that a person who is a producer-handler uses his own production; but if, suddenly, he runs short during a certain period and goes out and buys production which is not his own production, in order to make up a deficiency, the area becomes a fuzzy one.

This is not clear. By putting this language in the bill, the Senator has automatically laid a foundation for more difficulty on this very point.

I believe that the amendment and the reasons for the amendment have been adequately explained. I do not wish to take any more of the time of the Senate. If the Senator from Wisconsin is ready to yield back the remainder of his time, I am ready to yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa to the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

The amendment to the amendment was rejected.

Mr. MILLER. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 2, line 2, to insert the following: before the word "providing": "in any marketing area in which, during a representative period determined by the Secretary of Agriculture, the highest use classification sales of milk for the area covered by such order, or proposed order, was or, in the case of new or merged areas, would have been less than 50 per centum of the total producer deliveries of milk in such area."

Mr. MILLER. Mr. President, the reason for my amendment is to restrict coverage to those few areas which I think probably all of us would agree are in a serious situation so far as overproduction of milk is concerned, by limiting, as my amendment would do, the application of the Proxmire amendment to areas which use less than 50 percent of their milk for class 1 milk.

It would mean that the Proxmire amendment would apply to the New York-New Jersey marketing area, in which area 49 percent of the milk is marketed as class 1 milk. In the Chicago area, 39 percent of their milk is marketed as class 1 milk. In the Puget Sound area, 45 percent of their milk is marketed as class 1 milk.

I do not believe any of us know how this proposal would work. It may work and it may not. If it does not work, I believe that the fewer areas where it

might not work that we provide for, the better.

If it does work out and it can be shown that it will work out, I am quite satisfied that the Senator from Wisconsin will have no difficulty in presenting the Senate with the results of how it has worked out.

This can be extended to other areas. Perhaps it should not be only 50 percent. Perhaps it ought to be 55 or 60 percent. However, it seems to me that it would be reasonable to take cognizance of the three areas which are in the most serious difficulty.

I know that the Senator from Wisconsin can say, "Why worry about it? It will not go into effect in any marketing area unless they vote 2 to 1 to put it in." I am not sure that is the complete answer. I am not sure that I want to vote to allow a vote of 2 to 1 to put it into effect in some areas in which there is no difficulty.

I would rather walk before I run. We are dealing with a very important area of food commodities.

I believe that by limiting it, as my amendment would do, it would give the program a fair chance to work in areas in which there is a serious problem. If it works there, we can vote to extend it.

Mr. PROXMIRE. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 1 minute.

Mr. PROXMIRE. Mr. President, I object to this amendment. It would mean that my amendment would apply to four States, according to the statement of the distinguished Senator from Iowa. The other 46 States would be out of it. I submit that it is not fair. It does not make sense. It seems to me that in any State in which two out of three farmers want this provision, it should apply. My amendment would provide that, without this Miller amendment.

Mr. MILLER. Mr. President, I say to my friend the Senator from Wisconsin that he is dead wrong when he says it would apply in three or four States. It would apply in all 50 States, as his amendment would apply in all 50 States, if the conditions arise.

The Senator in his colloquy with the Senator from Vermont said that his amendment would apply to 50 States. I believe it was pointed out that only 17 States are covered by marketing orders. I grant that there may be only three or four States in which there is such an amount of overproduction of milk that less than 50 percent is marketed as class 1 milk. However, that does not mean that my amendment would not apply in some other State—New Mexico, Mississippi, Florida, or any of the 50 States—if those conditions arise.

I should like to make it clear that my amendment is as applicable to the 50 States of the United States as is the amendment of the Senator from Wisconsin.

Mr. PROXMIRE. I yield 1 minute to the Senator from New York.

Mr. KENNEDY of New York. Mr. President, I am going to vote for the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE], but I want

to make clear the basis on which I am doing so.

The base-excess idea for the dairy industry is not at all new. It has been advanced for some years and has always been the subject of great debate within the dairy industry and among dairy economists. Even today there are almost as many different opinions about it as there are experts on dairy matters. If the Proxmire amendment and the somewhat different version which the House included in H.R. 9811 directly legislated the two-price plan into existence, I would have considerable doubts about supporting it. I would hesitate to support any plan which is widely doubted in the industry that it is designed to help, the industry which knows most about it.

However, both the Proxmire amendment and the House version contemplate that a referendum will be taken among the farmers. If the farmers in a particular milkshed feel that the plan will be beneficial to them, they can vote for it and put it into effect. If not, they can vote it down and that will be the end of the matter.

There is considerable support for the plan among dairy farmers around the country. It would be unfair to deny them the chance to vote on it. In my judgment, then, basic fairness suggests that we should authorize a referendum on the two-price experiment. It is on that basis that I am voting for the Proxmire amendment.

There are certain differences between the version offered by the Senator from Wisconsin and the version passed by the House. The guarantee of free access to markets which is contained in the Proxmire version appears to be more desirable for the dairy industry in the Northeastern States. The provisions in the House bill protecting producer-handlers seem to be more desirable than the comparable aspects of the Proxmire version. These matters will have to be worked out in conference. At the present, I support the Proxmire amendment so that we can give Senate conferees a mandate to include a dairy provision in the bill as it finally emerges from conference.

I realize that there is opposition to this plan, even within my own State, but there is also great support for it, and I think it is only fair that the farmers be allowed to vote on this matter themselves.

That is why I support Senator Proxmire's amendment.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

Mr. MILLER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. MILLER].

The amendment was rejected.

Mr. MANSFIELD. Mr. President, I yield 5 minutes on the bill to the senior Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, in October 1963, when this question was first considered, I voted against the Proxmire plan. I intend to vote against it again today. My reasons today have been very

well stated by the Senator from Vermont [Mr. AIKEN]. As a Senator from New York, the second largest producer of class I fluid milk in the country, I have had a special concern and deep interest in the provisions of this amendment. Along with almost all other Senators on both sides of the aisle from the Northeastern portion of the country I voted against this proposal in the form of S. 1915 on October 10, 1963. The amendment would establish a class I base for each dairy producer in a Federal order market and would enable the producer to receive a higher price for milk consumed in fluid form on a specified quantity of his production in lieu of a blended price on total production used for fluid consumption and for manufacturing into butter, cheese, powdered milk and other milk products. Excess production would be priced at a lower price to encourage reduced production.

The dairy farmers in my State are very much divided with respect to this proposal. Of the four largest organizations, two favor the base excess plan proposal and two strongly oppose it. There appears to be equally marked lack of consensus behind the bill nationally. The administration expressly did not include any dairy plan in its farm message this year and has not enthusiastically supported any proposal. On April 5, 1965, Clarence Girard, Deputy Administrator, Regulatory Programs, Consumer and Marketing Service of the Department of Agriculture, testified before the Subcommittee on Dairy and Poultry of the House Agriculture Committee that—

There is substantial disagreement within the dairy industry itself as to what sort of legislation they would support * * * and we have not been able to get general substantial agreement among the industry representatives on any particular proposed legislation.

Mr. Girard also testified:

We believe this improvement in income position of some fluid milk producers can be achieved without adversely affecting the income of other dairy farmers.

He stated that favorable action on a base excess proposal such as S. 1915 "would represent a small step toward an improved dairy program." This is hardly the type of support that one would hope for a major agricultural program costing the Federal Government approximately \$360 million per year. In 1963 Under Secretary of Agriculture Murphy testified before the Senate committee that the base excess proposal, without the assistance of a direct payment plan, would be of little help to dairymen.

I am most sympathetic over the serious need for improving the income of our dairymen. With sustained drought conditions and prolonged burdens of increased production costs, the dairyman in the Northeast has sustained a heavy burden. I have tried to ease this burden by working to obtain feed grains at reduced prices from the Department of Agriculture and haying and grazing privileges on land taken out of production. I have worked to obtain the Department's consideration of emergency price adjustments for hard pressed areas. The Department of Agriculture has provided important aid in many of these

areas. However, I do not believe it is in the best interest of our dairymen or the consumer to impose tight production quotas on them. The curtailment of productive incentive for a sustained period will not in my judgment provide the best method of improving dairy income. The imposition of production quotas based on periods of past production places regulation on the producers which may prove very disadvantageous. With each marketing order being voted on, by bloc vote rather than individual voting, it is possible that certain parts of the country will be regulated by tight production quotas while other areas will not.

It is also possible that under the referendums provisions which do not permit voting by the individual membership that production quotas may be set by one group in approving an order and imposed upon another in the minority. The imposition of a production limitation upon one dairyman by his fellow dairyman is a situation raising many questions as desirability.

The Senate Agriculture Committee by an overwhelming vote chose to eliminate the base excess plan from the farm bill. This decision reflects the views of a very substantial number of dairymen in the Northeast. Senators from the Northeast area reflected this attitude in October 1963 when the base excess plan was acted upon by the Senate. I believe they will reflect this view again today.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from Wisconsin to the committee amendment in the nature of a substitute. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). On this vote I have a pair with the Senator from Massachusetts [Mr. SALTONSTALL]. If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. INOUE. I announce that the Senator from West Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. LONG], the Senator from Connecticut [Mr. RIBICOFF], the Senator from Florida [Mr. SMATHERS], the Senator from Georgia [Mr. RUSSELL], the Senator from Georgia [Mr. TALMADGE], and the Senator from Maine [Mr. MUSKIE] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Virginia [Mr. ROBERTSON] are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. BYRD], and the Senator from Connecticut [Mr. RIBICOFF] would each vote "yea."

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Louisiana would vote "nay," and the Senator from Virginia would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

The Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Texas [Mr. TOWER] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT] and the Senator from Texas [Mr. TOWER] would each vote "yea."

The pair of the Senator from Massachusetts [Mr. SALTONSTALL] has been previously announced.

The result was announced—yeas 57, nays 27, as follows:

[No. 255 Leg.]

YEAS—57

Bartlett	Hart	Montoya
Bass	Hartke	Morse
Bayh	Hayden	Morton
Bible	Hill	Moss
Brewster	Hruska	Mundt
Burdick	Inouye	Nelson
Cannon	Jackson	Neuberger
Carlson	Jordan, N.C.	Pearson
Church	Jordan, Idaho	Proxmire
Clark	Kennedy, N.Y.	Russell, S.C.
Cooper	Long, Mo.	Simpson
Curtis	Magnuson	Sparkman
Douglas	McClellan	Stennis
Ervin	McGee	Symington
Fannin	McGovern	Thurmond
Fulbright	McNamara	Tydings
Gore	Metcalf	Williams, N.J.
Gruening	Mondale	Yarborough
Harris	Monroney	Young, Ohio

NAYS—27

Alken	Fong	Miller
Allott	Hickenlooper	Murphy
Boggs	Holland	Pastore
Byrd, Va.	Javits	Pell
Case	Kennedy, Mass.	Prouty
Cotton	Kuchel	Randolph
Dodd	Lausche	Smith
Dominick	Mansfield	Williams, Del.
Ellender	McIntyre	Young, N. Dak.

NOT VOTING—16

Anderson	McCarthy	Scott
Bennett	Muskie	Smathers
Byrd, W. Va.	Ribicoff	Talmadge
Dirksen	Robertson	Tower
Eastland	Russell, Ga.	
Long, La.	Saltonstall	

So Mr. PROXMIRE's amendment to the committee amendment in the nature of a substitute was agreed to.

Mr. MAGNUSON. Mr. President, I move that the vote by which the amendment to the amendment was agreed to be reconsidered.

Mr. PROXMIRE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President—

The PRESIDING OFFICER (Mr. MONTOKA in the chair). The Senator from Illinois is recognized.

Who yields time?

Mr. DIRKSEN. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 2 minutes.

Mr. AIKEN. Mr. President—

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader about the business for the remainder of

the day and also the schedule for tomorrow.

Mr. MANSFIELD. Mr. President, in response to the question which has been raised, it is my understanding that the distinguished Senator from Maryland [Mr. BREWSTER] is about to call up his amendment which has to do with the payment of subsidies on the basis of a \$10,000 income and that I understand it all depends upon who obtains recognition. This will be followed by an amendment to be offered by the Senator from South Dakota [Mr. MUNDT], and in turn perhaps an amendment by the Senator from Vermont.

Mr. President, the Senator from New York [Mr. JAVITS] also has an amendment.

Mr. President, perhaps there will be other amendments. All this will be for tomorrow, not tonight. There will be no further votes on amendments because of a number of conditions with which Senators are confronted.

It is understood, of course, that the unanimous-consent agreement is still in effect, and that immediately upon conclusion of the prayer, debate will begin on a time limitation basis on the amendment to be offered by the Senator from Maryland [Mr. BREWSTER].

That is about it.

Mr. DIRKSEN. Mr. President, one other question. Assuming that we finish the bill tomorrow, is it still the intention of the majority leader to call up the so-called highway beautification bill, or bills?

Mr. MANSFIELD. Either that, or the immigration bill, whichever is ready, but those will be the next two bills to be considered. Of course, in the meantime, there will be conference reports and other matters to attend to.

Mr. DIRKSEN. But there will be no further votes tonight?

Mr. MANSFIELD. There will be no further voting tonight.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE THIEF HAS A KEY TO YOUR CAR

Mr. KUCHEL. Mr. President, law enforcement officials in California and across the country have recently become alarmed about the indiscriminate, unregulated traffic in master keys. At least six companies in the United States advertise that for sums ranging from \$3 to \$20, sets of keys may be ordered by mail which will unlock automobiles of any domestic make. On March 25, 1965, the Chicago's American reported the apprehension of an auto thief carrying 17 master keys which would open almost any Ford car. Police concluded that the thief had obtained the keys from a mail order supplier. The Los Angeles Police Department reports that nine recent

bank robberies in the Los Angeles area were accomplished by a bandit who used General Motors master keys to steal his getaway car. The National Automobile Theft Bureau has information that the operator of one of the six principal master key suppliers has a past record of auto theft.

Police Chief Thomas Cahill, of San Francisco Police Department, has called the master keys "the answer to an auto thief's dream." Chief Cahill also reports that nearly one-third of the cases of residential burglaries were by the use of a key or device which readily opened the lock without a resort to force. New York City License Commissioner Joseph C. DiCarlo has noted this problem and has said that mail order firms are sending master keys for cars to anyone with the money to pay for them, including thieves and addicts.

In an editorial on July 25, 1965, the San Francisco Examiner expressed shock that criminals should have such easy and inexpensive access to master keys. The editorial remarked that "disturbed citizens may well wonder why locksmiths and keymakers are not regulated and licensed, and required to register both keys and buyers."

The report to the 1965 General Session of the California Legislature from the Assembly Interim Committee on Governmental Efficiency and Economy stated:

At present locksmiths may obtain lock picks by mail. No official records are kept of keys made, and no identifying number is required on keys, to help in crime detection.

I am happy to say that the California Legislature has not been unmindful of this problem. A very able assemblyman, the Honorable Richard J. Donovan, of the 77th Assembly District introduced in the last session a bill which would deal with this matter effectively. The Donovan bill sought to establish a licensing scheme for locksmiths and provided that master keys would be sold to or duplicated by licensed locksmiths only. It required that keys manufactured or duplicated would bear a number which identified the manufacturing locksmith. It also required that the locksmith maintain a record of persons to whom keys are delivered.

I have given very careful consideration to the possibility of a Federal licensing system for master key manufacturers and dealers. In view of the severity of such a proposal, I am introducing instead a companion bill to one introduced in the House of Representatives by Congressman LIONEL VAN DEERLIN, of San Diego, who has given much thought as has Assemblyman Donovan to this matter. This proposal provides that no master key shall be shipped in interstate commerce to a person prohibited by State law from receiving or possessing master keys. The bill will prevent State licensing laws, such as the one now under consideration in California, from being circumvented by interstate traffic in master keys. Not only will this proposal put teeth in State regulations, but it will encourage those States which do not now regulate the sale of master keys to consider establishing controls. I am today sending to my

friend, the distinguished Senator from Connecticut [Mr. Dodd], chairman of the Subcommittee on Juvenile Delinquency of the Senate Committee on the Judiciary, a letter requesting that hearings be held on this bill at an early date.

A reasonable regulation of master keys will safeguard the legitimate uses to which they may be put. Master keys are indispensable to automobile dealers, locksmiths, and police agencies. By correcting the abuses which now exist we will at the same time insure that the legitimate interests are protected. I do hope that this bill will receive the careful attention it deserves.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the San Francisco Examiner on July 25, 1965. It is appropriately titled "The Thief Has a Key to Your Car." I also ask unanimous consent that the bill as introduced be printed at this point in the RECORD and referred to the Committee on the Judiciary.

The PRESIDING OFFICER. The bill will be received, and, without objection, the bill will be referred to the Committee on the Judiciary, and the bill and editorial will be printed in the RECORD.

The bill (S. 2524) to prohibit the transportation or shipment in interstate commerce of master keys to persons prohibited by State law from receiving or possessing them, introduced by Mr. KUCHEL, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of this Act—

(1) The term "interstate or foreign commerce" means commerce—

(A) between any State, the Commonwealth of Puerto Rico, any territory or possession, or the District of Columbia and any place outside thereof;

(B) between points within the Commonwealth of Puerto Rico or within the same State, but through any place outside thereof; or

(C) within or between points within the District of Columbia or any territory or possession.

(2) The term "master key" means a key which will operate all the locks in a given group of locks each of which can be operated by a key which will not operate one or more of the other locks in such group.

SEC. 2. (a) It shall be unlawful for any person to sell, offer for sale, transport, or ship a master key in interstate or foreign commerce, knowing that such key is a master key, if, upon the delivery of such shipment or the conclusion of such sale or transportation, the key will be received or possessed by any person prohibited by the law of the jurisdiction within which such receipt or possession occurs from receiving or possessing master keys.

(b) Any person who violates any prohibition contained in subsection (a) of this section shall be fined not more than \$5 000 or imprisoned not more than one year or both.

The editorial presented by Mr. KUCHEL is as follows:

THE THIEF HAS A KEY TO YOUR CAR

Severe shock is the response of car owners, and homeowners too, to disclosure in the Examiner of the easy and inexpensive access criminals have to master keys that make any lock an open invitation to dishonest entry.

For a total expenditure of \$11 the criminal can equip himself with keys unlocking almost any car of American manufacture. At still less cost he can have the key to any home in the country, and to any door.

The purchase and sale of such keys involve no broken laws. Similarly, the reproduction of keys may be accomplished cheaply and legally in numerous shops.

Disturbed citizens may well wonder why locksmiths and key makers are not regulated and licensed, and required to register both keys and buyers; as in the case of small arms dealers. They should be; but with full awareness that there would be only partial answer at best to the problem in this. Criminals subvert most laws; are mainly deterred by law, not circumvented.

We have laws penalizing owners for leaving keys in cars on the street—useful in keeping juveniles out of temptation's way. But these laws are useless against the professional thief who can open a car as easily as its owner. It is preposterous that \$3 can buy the key giving a criminal possession of an automobile for which the owner has paid thousands of dollars.

Final responsibility here rests on car makers, not key makers. Automobile manufacturers every year, probably daily, solve greater problems than the development of a lock that only the owner can manipulate. A numbers combination might be the answer. If there are better answers it is the business of the industry to come up with them.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

AMENDMENT NO. 446

Mr. AIKEN. Mr. President, I have an amendment which I send to the desk on behalf of myself and the Senator from Delaware [Mr. WILLIAMS], and ask to have it printed.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the table.

AMENDMENT OF TITLE V OF THE INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 684, Senate bill 1826.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1826) to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on

Foreign Relations, with amendments, on page 1, after line 9, to strike out:

(2) by striking out the last sentence thereof.

On page 2, after line 6, to insert a new section, as follows:

SEC. 3. Section 505(a) of such Act (22 U.S.C. 1643d) is amended by adding a new sentence at the end thereof as follows: "A claim under section 503(a) of this title based upon a debt or other obligation owing by any corporation, association, or other entity organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico shall be considered, only when such debt or other obligation is a charge on property which has been nationalized, expropriated, intervened, or taken by the Government of Cuba."

At the beginning of line 17, to change the section number from "3" to "4"; and, at the beginning of line 22, to change the section number from "4" to "5"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501 of the International Claims Settlement Act of 1949 (22 U.S.C. 1643) is amended—

(1) by striking out "which have arisen out of debts for merchandise furnished or services rendered by nationals of the United States without regard to the date on which such merchandise was furnished or services were rendered or"; and

SEC. 2. Section 503(a) of such Act (22 U.S.C. 1643b(a)) is amended by striking out "arising out of debts for merchandise furnished or services rendered by nationals of the United States without regard to the date on which such merchandise was furnished or services were rendered or".

SEC. 3. Section 505(a) of such Act (22 U.S.C. 1643d) is amended by adding a new sentence at the end thereof as follows: "A claim under section 503(a) of this title based upon a debt or other obligation owing by any corporation, association, or other entity organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico shall be considered, only when such debt or other obligation is a charge on property which has been nationalized, expropriated, intervened, or taken by the Government of Cuba."

SEC. 4. Section 506 of such Act (22 U.S.C. 1643e) is amended by striking out "Provided, That the deduction of such amounts shall not be construed as divesting the United States of any rights against the Government of Cuba for the amounts so deducted".

SEC. 5. Section 511 of such Act (22 U.S.C. 1643j) is amended to read as follows:

"Appropriations

"SEC. 511. There are hereby authorized to be appropriated such sums as may be necessary to enable the Commission to pay its administrative expenses incurred in carrying out its functions under this title."

Mr. SPARKMAN. Mr. President—

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I should like to yield to the Senator from Maryland [Mr. BREWSTER], provided that in doing so I shall not lose my right to the floor.

Mr. BREWSTER. Mr. President, I thank the Senator from Alabama. Mr. President, I wish to call up my amendment No. 441 and ask that it be stated.

The PRESIDING OFFICER. The Senator will suspend.

The Senate will please be in order. There is a bill pending under the unanimous-consent agreement. Will the Senator withhold his request temporarily?

Mr. BREWSTER. I certainly shall.

Mr. SPARKMAN. Mr. President, if I may proceed, I do not believe that it will take more than a moment to dispose of the pending bill.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

The first committee amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 684, S. 1826, be withdrawn at this time.

The PRESIDING OFFICER. The question is on agreeing to the second committee amendment.

The second committee amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending bill be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

so-called Mondale amendment and substitute in place a proposal of the joint select committee. I understand that the Mondale amendment has been withdrawn. Mr. President, I therefore indefinitely postpone my amendment.

Mr. President, tomorrow, I shall submit a concurrent resolution to cover this subject.

ADDITIONAL COSPONSORS

Mr. LAUSCHE and Mr. METCALF addressed the Chair.

Mr. MOSS. Mr. President, will the Senator from Maryland yield to me?

Mr. BREWSTER. I yield to the Senator from Utah.

Mr. MOSS. Mr. President, I ask unanimous consent that on further printing of Senate Concurrent Resolution 55, the names of the Senator from Kentucky [Mr. COOPER], the Senator from Indiana [Mr. HARTKE], and the Senator from New York [Mr. KENNEDY] be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREWSTER. Mr. President, I yield the floor.

national policy on agriculture must be clarified again.

Even in the Senate of the United States we find evidence of misunderstanding of a very simple policy.

Such is the case today. The Senator from Maryland has proposed an amendment to the farm bill which would strike at the very heart of our farm policy, and it is based upon a misconception of what our policy is.

Our agriculture is great, not only because of vast resources and the hard work and intelligence of our farm people but also because our national policy has made it great. From the very beginning of our Nation, our policy has been to keep the land and the tools of farm production in the hands of the people who till the soil. Our early leaders turned their backs upon the old-world system of landed aristocracy and subservient peasants. In much of the world then—and it is true even today—farmers had no chance to own the land.

The Founding Fathers recognized—and I hope we have not forgotten—that civilization rests upon agriculture. No nation can have industry or the arts or great institutions until many people have been freed from the necessity of hunting or cultivating the soil.

So from the beginning, we have used public funds to help create the kind of agriculture we wanted. As early as 1796 George Washington recommended to Congress the use of public funds to aid agriculture and the establishment of boards to collect and diffuse agricultural information. We were not providing relief to individuals. We were building the kind of agriculture we wanted—one that was destined to become fabulously productive; one of the wonders of the world.

Over the years, the Government sent out plant explorers to bring back new crops; distributed seeds; established a Department of Agriculture; passed a Homestead Act providing gifts of land to farmers; gave land from the public domain to support agricultural education; created agricultural experiment stations and agricultural extension work to foster scientific and profitable agriculture and better living on the land.

In 1916 came the Federal Farm Loan Act initiating national farm credit policy and authorizing Federal land banks. Since then have come Federal support for vocational agriculture teaching, measures for conservation of forests, soil and water, protection of farmers and consumers against unscrupulous trade practices, protection against diseases and pests of plants and animals.

After World War I, we fought farm depression through export subsidy, cooperative marketing and the Federal Farm Board.

Later came the New Deal with new devices to curb surpluses and maintain a healthy agriculture.

Through the years, we have recognized that the kind of agriculture we want—one that is highly productive and with the farms owned and operated by farmers—this kind of agriculture has certain built-in problems. For example, farmers without Government programs can-

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices, and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

AMENDMENT NO. 447

Mr. SPARKMAN. Mr. President, I submit an amendment for printing and ask that it lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 441

Mr. BREWSTER. Mr. President, I now call up my amendment No. 441 and ask that it be laid down and be the first order of business tomorrow morning, in accordance with the agreement entered into.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill add a new section as follows:

SEC. 707. Notwithstanding any other provision of law, no producer shall be eligible for price-support loans or payments under any program or programs administered by the Department of Agriculture in any amount in excess of \$10,000 for any one year. The foregoing dollar limitation shall include the fair dollar value (as determined by the Secretary of Agriculture) of any payment in kind made to a producer.

Mr. BREWSTER. Mr. President, have I the floor?

Mr. MANSFIELD. Yes.

Mr. BREWSTER. At this point, I yield to the Senator from Connecticut.

Mr. DODD. Mr. President, I thank my friend the Senator from Maryland for yielding to me.

Mr. President, last week I submitted an amendment to the bill to strike the

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. METCALF. Mr. President, will the Senator from Montana yield to me?

Mr. LAUSCHE. Mr. President, who has the floor?

Mr. MANSFIELD. Mr. President, if the Senator from Ohio will allow me, my colleague [Mr. METCALF] came to me some time ago. He wishes to make some brief remarks on the pending amendment at this time, if he may.

Mr. LAUSCHE. Mr. President, it will take me only one moment.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I had prepared an excellent speech giving many reasons why I shall vote against the farm bill, but I have lost the speech. If someone on the floor of the Senate finds a document replete with good thinking, he will know it is mine, and I ask him to return it.

Mr. MANSFIELD. Mr. President, I now yield to the Senator from Montana [Mr. METCALF]. In the meantime, if members of the staff find a document that has been lost, we will see that it is returned to the Senator from Ohio.

I ask unanimous consent that the Senator from Montana [Mr. METCALF] be recognized without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METCALF. Mr. President, each time an agricultural bill comes up for debate, the fundamental purpose of our

not keep production in line with demand. They cannot do their own research. The conservation job is too big for them to handle without help. And, worst of all, a depressed agriculture is costly to the entire economy.

Now, we have recognized that agriculture has within itself the same kind of relief problems that are common to other segments of our Nation. And we have tried to deal with them as relief problems through relief measures.

But the key point to remember is this: Our basic agricultural policy is not a relief policy. It is not aimed at the plight of individuals as such, although it helps individuals by strengthening the markets in which they sell—by strengthening the economy of which they are individual parts. No. Our policy deals with agriculture as a whole. Our commodity programs deal with supply, demand, price, and income of entire crops.

The wheat program offers price-support loans. These are aimed at keeping market prices above a specified level and therefore are available to all who produce wheat. They do provide some direct help to the man who needs capital at the moment, but that is not their real purpose. They are also available to the producer who is not short of capital because the loans encourage him to keep his wheat off the market unless he can sell it for a price above the support level.

The wheat program also offers payments. But the primary purpose of the payment is not to supplement income. The purpose is to induce the producer to hold down his acreage and production of wheat. He gives up production and income in order to cooperate in the surplus-reduction program. The payment encourages him to do it.

It is perfectly true that large producers get bigger loans and bigger payments than do small producers. It is often argued that this works against our fundamental policy—that of keeping our agriculture in the hands of the people who actually till the soil.

The answer is that there is a greater danger. The greater danger is that farm commodity prices will go too low and that only those institutions which have great resources of capital can withstand a long period of loss. This forces the actual farmers off the land and puts it into the hands of giant financial collectives. So the great danger is that the economy will go sour and that ordinary farmers cannot live in it.

This means we must safeguard the entire farm economy, commodity by commodity. This means we must apply our national policy to the large producers as well as the small. In a sense, we must be even more sure that the large producers are able to take part in commodity programs because they have a greater effect on the total supply and price of the commodity.

If it ever becomes necessary to limit the size of farms or to limit the total holdings of a corporation or other collective, we can do so through appropriate means. But we do not have to do so now. We must not do so by wrecking the programs which maintain the strength of the farm economy.

Make no mistake about it—if you keep the commercial family farms and the farms of even larger size out of the commodity programs, you will kill the programs. In the absence of the programs, you will see a drop in farm income—according to competent authorities—of approximately 50 percent. This would mean a total failure of our agriculture.

This is the issue with which we are dealing here today.

So much for the background. Now let me deal in greater detail with certain points of misunderstanding. The first point I wish to emphasize is that in commodity programs designed to affect the entire supply and price of a commodity—the entire economy of that commodity—payments are not welfare.

Payments are not welfare. They are a part of the stabilizing mechanism to protect overall farm income in the interests of the national welfare. In instances where they are used, they are the least costly method of achieving this objective.

They assist in conserving and protecting millions of acres of the Nation's soil resources whether it is 2 acres protected on a 25-acre farm or 1,000 acres on a 10,000-acre farm.

Payments are not handouts. Payments are made to farmers who take land out of production. In taking the land out, they sacrifice the production on this land.

Price support loans are made on a quantity of a commodity. The commodity has value in the marketplace. Farmers put up their commodity as collateral for a loan. The loans do not constitute either payments or losses in themselves. If the Government acquires the commodity, it is later sold or used in the food-for-peace program and in domestic donation programs.

Payments are not profit. A farmer does not get his regular income plus payments. Payments are in lieu of income he would have received from raising crops on acreage held out of production or selling the commodities put under loan.

For example, 4 farms received about \$340,000 under the 1964 wheat program. For this, they kept 21,395 acres out of production. Under normal circumstances, this acreage would have produced 546,000 bushels with a return of more than twice the payments received. If this quantity had been produced, it would have been added to CCC stocks but was not because of the participation of these large farmers.

Payments reflect the degree of program participation. As acreage contributions under the program go up, payments go up. No useful purpose would be served in forcing the larger farmers out—this certainly would result from a payment limitation.

The objective under the cotton, wheat and feed grain programs is to get sufficient acreage out of production to prevent surpluses which would result in more extensive Government commodity operations at increased cost. Excluding the large acreages from participation would simply require larger payments to the smaller farmers—many of whom are too small already—in order to achieve

the acreage objectives needed to balance production with needs.

The purpose of the commodity loan operation is to stabilize market prices by promoting orderly marketing of commodities. If supplies are in excess of needs, the loan operation by its very nature will embrace the quantity needed to be withheld from the market in order that market prices will go to the loan level. The excess amount will go under loan whether from large farms or smaller farms. Denying the loan program to farmers of large acreages would not change the supply situation. It would require thousands of more loans to be made to smaller farmers in order to draw off the excess.

The across-the-board application of farm programs is the only sensible approach. Preventing this would have the opposite effect desired by the proponents. If large operators could not participate in acreage diversion programs, total production would be increased. Even worse, payments would probably go up to get the acreage diversions needed from the smaller farms. Either way, higher acreage payments or greater surpluses, spells increased Government costs.

If the large operators could not qualify for price-support loans, their production would go on the market putting downward pressure on market prices and farm income. Small operators would suffer from the lower prices.

The price-support loan and acreage-diversion payment programs are not putting the family farm out of business. The number of larger-than-family farms is not growing under existing farm programs. Fifteen years ago, there were 17 family farms for each larger-than-family farm. Today, there are 26 family farms for every larger-than-family farm. These programs have not encouraged expansion of large farming at the expense of the family farmer.

In general, the farm programs are aimed in part at achieving some kind of reasonable balance between what farmers produce and what can be used—either by ourselves or through the export and food for peace programs which have been substantially increased. We have done a great deal to bring balance into our grain economy—and by indirection into our livestock economy. We hope—through programs recently enacted and now before the Congress—to achieve similar results in cotton and tobacco.

But the point is that unless the larger producers are brought into the programs, their production—being large—will overpower the whole effort to achieve balance. The programs would therefore be defeated in their purpose, and small growers as well as large would suffer the consequences of such an ill-fated expedition. It would be impossible to maintain decent market prices for any size farmer without the Government taking over the whole excess at a zooming cost to the taxpayer.

This possibility is especially dramatic when you consider that we have in agriculture a great deal of overcapacity in terms of acreage. We have—with the help of the programs—been holding harvested cropland acreage at a level a lit-

the below 300 million acres. This is a level that is a historic low for the entire time that we have been keeping records of this type since 1909.

In addition to these acres we are actually using, we have on farms better than 150 million additional acres that are now classified as cropland and could with very little difficulty be brought into production. What I am saying is that for every 2 acres that we are harvesting crops from, we have an additional cropland acre that could easily go into production. In addition, there are many additional millions of acres that are in grassland or treeland but which could be converted to cropland; in fact, many acres of this land has at some time in our history been used for crop production.

We have, then, all of this overcapacity which would be a threat to our productive balance, our farm prices, our entire agricultural economy—should farm programs be permitted to fail. If—through a limitation such as has now been proposed—a great many larger farmers were discouraged from participating in the programs, then we might very well see a lot of this additional land brought into production.

So, it is plain that small farmers as well as larger farmers have a stake in permitting a commodity program to function effectively across the board—to act successfully in balancing supplies and maintaining prices. Otherwise, the smaller farmer as well as the larger operator, would be trying to stay afloat in a sea of farm commodities which we would not have sufficient outlets for, and which would bring the entire fabric of farm programs down around our ears.

We have had considered several times before this proposal to limit payments. It is no more sensible than it has been in the past. It is perhaps even more dangerous to consider it now, because it would in a very short time reverse the successes we have achieved in farm programs the past few years. I ask that the amendment be defeated.

Mr. President, I ask unanimous consent that there be printed in the RECORD a statement and a table with regard to the effect of payment and loan limitation of \$10,000 per farm.

There being no objection, the statement and table were ordered to be printed in the RECORD, as follows:

EFFECT OF PAYMENT AND LOAN LIMITATION OF \$10,000 PER FARM (PRESUMABLY UNDER EACH PROGRAM)

WHEAT

The total amount of money received from the Government for loans and payments by a wheat farmer with a 220-acre allotment participating in the program and making minimum diversion would total about \$10,000 a year.

Nationally, this represents about 98 percent of all wheat farms, so it would not appear to be a serious limitation. However, the proportion of farms of this size varies considerably by States. In Montana and Texas, for example, farms with allotments of 200 acres or less make up between 70 and 80 percent of the total farms with wheat allotments. It would, however, prevent 33 percent of the allotment acreage nationally from participating in the program.

What does a 220-acre allotment mean in income to a wheat producer participating in the 1965 program? With a blend price for his crop of \$1.70 to \$1.80, only about 25 cents per bushel reflects his share of the wheat on which he must meet living expenses and enjoy some of the things in life that his urban brothers enjoy.

Assuming an average yield of 25 bushels per acre, the harvest from a 220-acre allotment would gross about \$9,500 but provide a net wage of only about \$1,375. Although many smaller wheat producers have income from alternative enterprises, farmers with allotments larger than 100 acres are more

specialized and depend on wheat as their primary or only source of income. Therefore, the very men prohibited from receiving benefits under the program are those who need them most.

In 1964, by comparison, the average annual wage per employed factory worker was \$5,354. And he had little, if any, investment in the physical facilities with which he worked. The cotton, wheat, and feed grain farmer, on the other hand had \$200 or more per acre invested in land and additional thousands of dollars invested in machinery, equipment and buildings.

SEPTEMBER 10, 1965.

Wheat farm example—effect of payment and loan limitation of \$10,000 per farm under 1965-type program in 1966

Item	Unit	Participant who voluntarily diverts—		
		No additional acreage	10 percent of allotment	20 percent of allotment
Allotment	Acre	220	230	235
Diversion:				
Mandatory, no payment	do.	24.4	25.6	26.1
Voluntary, for payment	do.	0	23.0	47.0
Yield, actual and projected	Bushels per acre	27	27	27
Price support loan	Dollars per bushel	1.25	1.25	1.25
Certificate value:				
Domestic certificate	do.	.75	.75	.75
Export certificate	do.	.30	.30	.30
Diversion payment	Dollars per acre	0	16.88	16.88
Harvested acreage	Acre	220	207	188
Production	Bushel	5,940	5,589	5,076
Value of Government support:				
Loan value of production	Dollar	7,425	6,986	6,345
Value of certificates:				
Domestic	do.	2,005	2,096	2,141
Export	do.	624	652	666
Land diversion payments	do.	0	388	793
Total	do.	10,054	10,122	9,945

Mr. MANSFIELD. Mr. President, I yield 2 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I have received a number of communications from Oregon constituents relating to various provisions of the bill, H.R. 9811, now under consideration in the Senate. Because of the importance of these communications, I am bringing them not only to the attention of the Senate Committee on Agriculture, but also to the attention of my Senate colleagues so that they can be given thorough consideration prior to final passage of the agriculture bill.

With reference to section 706 of the bill, I have received wires of support from Mr. C. R. Tulley, executive vice president of the Northwest Cannery & Freezers Association, Portland, Oreg.; from Mr. J. Hilstrom, of the Portland branch of the California Packing Corp., and from Mr. Shelby M. Tuttle, executive secretary of the Fruit Growers League of Jackson County, Oreg.

Mr. R. G. Scarce, secretary of the Hood River Traffic Association has indicated his organization's support of S. 1702, which is in essence included in section 706 of the present bill.

President George Meany, of the AFL-CIO, wrote to me under date of September 8 opposing the Holland amendment.

Mr. Alfred J. Stokely, president of Stokely-Van Camp, Inc. also addressed me a letter under date of September 8 in support of section 706.

The class I base rating plan relative to milk marketing orders has been the sub-

ject of a number of communications addressed to my office by residents of Oregon. I ask unanimous consent that these letters and telegrams be included in the RECORD at this point in my remarks.

There being no objection, the letters and telegrams were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG.

WAYNE L. MORSE,
Senate Office Building,
Washington, D.C.:

Northwest Cannery & Freezers Association urgently requests your support on Senate floor of committee approved amendment to omnibus farm bill H.R. 9811. Section 706 makes Secretary of Agriculture solely responsible for determining needs for and availability of farm labor. The Agriculture Department is eminently qualified for such determinations through its research statistical regulatory and extension services and since it is administratively responsible for meeting the needs of the Nation for food and fiber it follows that such jurisdiction should be placed solely in the hands of the Secretary of Agriculture.

Regards,

C. R. TULLEY,
Executive Vice President.

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Chamber,
Washington, D.C.:

Earnestly request your support of section 706 of H.R. 9811. This language in Senate version of farm bill gives Department of Agriculture responsibility to determine availability and need of farm labor for harvesting crops. Our canning industry experiences this year confirm that variability of perishable specialty crops and unique peak labor demands should come within purview of execu-

tive department charged with supplying Nation's food requirements. The Department of Agriculture through knowledge obtained from local growing conditions, county agency systems, land-grant schools and crop reporting services is well qualified to proceed with this responsibility.

J. HILSTROM,
California Packing Corp.

MEDFORD, OREG.,
September 7, 1965.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

The Senate Agriculture Committee has approved a farm bill (H.R. 9811) with a farm labor section included under title VII, section 706, which would switch the responsibility of determining the numbers, availability, and the need for farm laborers from the Secretary of Labor to the Secretary of Agriculture.

We urge your support of H.R. 9811 as amended because (1) the Secretary of Labor can still advise on farm labor matters. It is only the determination of numbers and availability that would rest with the Secretary of Agriculture; (2) since this is primarily an agricultural matter it is logical that the Secretary of Agriculture have these functions; (3) the Department of Agriculture is well set up to perform this job through its county and State committee systems, its extension service, and the land-grant college system; (4) the Department of Agriculture is not to recruit or place labor, but merely to make determinations; (5) through this provision much of the conflict and controversy between farmers and the Government can be eliminated.

Again may we urge your support of this section which is so vital to Oregon agriculture.

FRUIT GROWERS LEAGUE
OF JACKSON COUNTY,
SHELBY M. TUTTLE,
Executive Secretary.

HOOD RIVER TRAFFIC ASSOCIATION,
Hood River, Oreg., September 7, 1965.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: We have sent you a day letter today urging you to support Senator HOLLAND's amendment to agricultural bill S. 1702 which takes the responsibility of determining agricultural labor needs away from the Secretary of Labor and places it under the Department of Agriculture.

We are sure that you are in accord with this legislation and we can count on you to support same when it is presented to the Senate for consideration.

We will appreciate your keeping us posted as to the Senate vote on this bill.

Yours very truly,

R. G. SCEARCE,
Secretary.

HOOD RIVER, OREG.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

Urgently request you to support Senator HOLLAND's amendment to agricultural bill S. 1702 providing responsibility determining agricultural labor needed by Secretary of Agriculture moving responsibility from Office of Secretary of Labor. Understand this is a new section to farm labor bill of above number and that this bill is to be considered by Senate promptly being reported out of committee today. Your support urgently requested.

R. G. SCEARCE,
Hood River Traffic Association.

AMERICAN FEDERATION OF
LABOR AND CONGRESS OF
INDUSTRIAL ORGANIZATIONS,
Washington, D.C., September 8, 1965.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Before reporting H.R. 9811, the omnibus farm bill, the Senate Agriculture Committee added an amendment which would take away the authority of the Secretary of Labor to determine the need for importing foreign farm labor. The amendment would give this authority to the Secretary of Agriculture.

The AFL-CIO strongly opposes this amendment. We believe this amendment, proposed by Senator HOLLAND, would seriously undermine the wages, working conditions, and protections which have been achieved for American farm workers.

The Holland amendment was added to the farm bill without normal hearings and debate. The action by the Senate Agriculture Committee treppasses on the jurisdiction of several other Senate committees. Furthermore, the language of the amendment is so general and vague that it would overturn a considerable body of statutory law approved by the Congress, including not only labor protections and welfare legislation but also many other Federal land, farm, and conservation program.

Therefore, on behalf of the AFL-CIO, I urge you to vote to strike out the Holland amendment or any other amendment affecting farm labor and the orderly processes of our Government.

Sincerely yours,

GEORGE MEANY,
President.

STOKELY-VAN CAMP, INC.,
Indianapolis, Ind., September 8, 1965.

Hon. WAYNE L. MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: As a member of the business community of the good State of Oregon and being vitally interested in its agriculture, we urge your support of the retention of title VII, section 706, of the farm bill, as approved by the Senate Agriculture Committee. Since this is primarily an agricultural matter the authority to determine the amount and availability of labor required to produce and harvest agricultural commodities is logically and properly a function of the Secretary of Agriculture.

The Department of Agriculture is well set up to perform this job through its present facilities and services. It understands agricultural problems and the problems of the farmer, and can, therefore, make a quicker and fairer judgment as to this industry's needs.

Very truly yours,

ALFRED J. STOKELY,
President.

PORTLAND INDEPENDENT MILK
PRODUCERS ASSOCIATION,
Portland, Oreg., August 5, 1965.

Hon. WAYNE MORSE,
Senate Office Building,
U.S. Congress,
Washington, D.C.

DEAR SENATOR: At the present time, there are two class I base plan bills in the Senate. The bills apply to the Federal milk marketing orders now in effect throughout the United States or those which will come later.

The numbers of the bills to which I refer are S. 399 or S. 2242, either one acceptable to us.

The board of directors of Portland Independent Milk Producers Association has

voted to support the proposal in any way they can and have instructed me as their manager to contact our Senators and ask for their support.

Mr. MORSE, the Oregon Milk Producers are in a very precarious position and unless the class I base plan passed, many of them could very well be forced out of the picture. We will apply for a Federal order for this area if the bill passed and becomes law. Our present State milk stabilization is not doing the job for which it was intended due to the interstate milk problem and we are sincere in our belief that a Federal order with a class I base plan is the only answer. May we urge your support of this very important legislation.

We would appreciate having your views on the matter and anxiously await your reply.

Very truly yours,

GLENN RICHARDS,
Manager.

MEDFORD, OREG.,

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

We have requested Washington's representative from National Milk Producers Federation to cooperate with you in furnishing all material and information available pertaining to our desires in returning dairymen's class one base program of text of omnibus farm bill.

D. P. SHOUP,
Oregon Milk Producers,
RICHARD WESTENBERG,
Coordinated Milk Sales.

WOODBURN, OREG.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

As a long-time member Farm Bureau do not support Bureau's objection to milk base plan in farm omnibus bill imperative to Oregon milk producers and reduction of national milk surpluses that base plan be reinstated in omnibus bill urge your support for same.

NEAL MILLER,
Woodburn, Oreg., Member Board Directors, Oregon Milk Producers, Chairman Milk Committee Oregon Jersey Cattle Club Representative of Grocys Safeway Milk Producers.

COORDINATED MILK SALES,
Medford, Oreg., September 7, 1965.

Senator WAYNE MORSE,
Washington, D.C.

DEAR SR: The question of exemption of producer-handlers has, as you know, caused the Senate Agriculture Committee to delate the dairymen's class I base rating plan from the omnibus farm bill.

This alarms my organization no end as we in Oregon have long desired the passage of this program so that we might realistically look at a Federal order program that might answer many of the problems inherent to the dairy industry. Oregon has a long and satisfactory history of bases for dairymen and without some kind of a basing program has always been hesitant to give serious consideration to the Federal order program despite its superiority in other fields of orderly milk marketing.

There are many reasons why, producer-handlers should not have blanket exemptions from regulation that would take pages to explain, however, the pertinent point might be that those who are clouding this issue are major factors in the market they are involved in and they desire for obvious reasons to maintain their competitive advantage to the detriment of producers of inadequate size and finances to dominate a market as they do.

I urge action on your part to see that this needed provision is returned to the text of omnibus farm bill.

Sincerely yours,

RICHARD WESTERBERG.

PORTLAND, OREG.,

Senator WAYNE MORSE,
Washington, D.C.:

By unanimous resolution we urge your support of amendment to include class I base plan in farm bill when offered on Senate floor.

WALTER WENT,
President, Board of Directors,
Mayflower Farms.

Mr. MORSE. Mr. President, Oregon wheat growers have expressed a great deal of interest in the wheat certificate plan. In that connection, I enclose a letter dated July 22 addressed to me by Mr. John H. Welbes, executive vice president of the Oregon Wheat Growers League and a wire of September 7, also addressed to me by Mr. Welbes, I request that these items be included in the RECORD at this point.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

OREGON WHEAT GROWERS LEAGUE,
July 22, 1965.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: I want to take this opportunity to thank you for the time you had to spend with me last Thursday morning while I was in Washington, D.C. I knew that you were on a very busy schedule and I enjoyed talking to you that morning.

If you recall, you asked me to send you a letter stating the main points that the Oregon Wheat Growers League wanted in a desirable wheat bill. You also mentioned the fact that as senior Congressman from Oregon, you might want to call a meeting of the entire Oregon delegation to discuss this.

We would like a wheat program to contain the following:

1. Increased income for growers.
2. One hundred percent of parity for domestic consumption and the certificate to come from the market place. This portion should not be less than 500 million bushels of our production.
3. At least a 4-year program, to enable our producers to plan more in advance and also to have a more favorable condition at the banks on credit.
4. CCC to remain at 105 percent resale for wheat, or if it is raised, that feed grains be raised accordingly to keep wheat comparative in the feed channels.
5. Use of the substitution clause.
6. Lower government costs.
7. The use of the overseeding privilege.
8. Wheat used for industrial uses be exempt from certificates.
9. Retain the oat-rye base.

Since returning from Washington, we have sent each of the Senators a loaf of bread along with the material, plus one to all Representatives from the States of New York, Pennsylvania, New Jersey, and Ohio.

If you need any further information on our position, or if you have any recommendations for changes, I would appreciate hearing from you.

Again thanking you for your courtesy shown me while in Washington, I am,

Very truly yours,

JOHN H. WELBES,
Executive Vice President.

PENDLETON, OREG.

WAYNE MORSE,
U.S. Senate,
Washington, D.C.:

We urge you not to abandon the two-price system for wheat. This allows the United States to be competitive in foreign markets and maximizes our exports. We still favor the certificate program similar to one passed by the House. One hundred percent parity on domestic use and long-range program has been endorsed by the league for over 30 years. A 10 to 15 percent export certificate on the House bill would bring income approximately to Young bill thus lowering cost to Government. We favor inclusion of the provision tying wheat prices to bread prices.

JOHN WELBES,
Executive Vice President,
Oregon Wheat Growers League.

Mr. MORSE. Mr. President, several residents of Oregon have written me giving me the benefit of their views on the wheat program and its relationship to the price of bread. Because of the importance of these comments, I ask unanimous consent that these communications be included in the RECORD.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

PORTLAND, OREG.

Senator WAYNE MORSE,
Senate Building,
Washington, D.C.:

Your vital recognition of the serious detrimental effects of the wheat certificate "bread tax" on already depressed baking industry profits is urgently requested. We urge an amendment to the wheat program which would require this added subsidy to wheat farmers to be paid out of the General Fund of the Treasury. We feel this is a national responsibility and the funds should come from the Treasury so that the burden can be properly distributed among individuals and corporations not just the consumers of wheat products.

H. I. JENKINS,
Manager, American Bakeries, Co.,
Langendorf Division.

THE DALLES, OREG.

Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.:

I have the highest wheat average in our county and still can't make interest on my investment. I am frugal and a good manager. We must have higher prices in wheat and barley. Can you help us?

Sincerely,

GARY R. KORTGE.

THE DALLES, OREG.,
August 16, 1965.

Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: I urge you to support the 1965 farm bill currently before Congress. I feel that this is a good bill that will achieve what its proponents claim that it will. Among other advantages this bill offers a much needed boost to the wheat growers' income.

Opponents of the bill complain that the bill will mean a several-cent-per-loaf increase in the price of bread. This is not true. The actual increase has been calculated at about seven-tenths of a cent for a 1-pound loaf.

This seems only reasonable to me when we

realize that the farmer is earning 10 percent less for the wheat in a loaf of bread today than he was in 1950. I am not a wheat grower, but I do feel that the consumer should expect to pay a portion of the cost of offering a decent price to those who do grow wheat.

Please support this bill with a "yes" vote.
Sincerely yours,

LES FREDRICKSON.

PORTLAND, OREG.,
August 7, 1965.

HON. WAYNE MORSE,
Senator,
Washington, D.C.

DEAR SIR: This is the first time I have felt impelled to write you concerning pending legislation.

I am utterly opposed to the wheat processing tax, which will accelerate the normal rise in foods from wheat source.

It is perplexing to me and seems wholly inconsistent that the tax on such luxuries as furs, diamonds, jewelry, etc., should be repealed, and a tax placed on wheat products, such as bread, flour, cereals, etc.

It would seem that if any legislation is proposed to "rob Peter to pay Paul," the funds could be raised from a source other than a basic food product.

Respectfully,

L. V. MEAGHER.

HEPPNER, OREG.,
August 13, 1965.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: The Morrow County Farm Bureau has gone on record as supporting the proposed farm program. Your assistance in securing passage of this legislation is requested as we feel that it is in the best interests of the commercial wheat grower.

Very respectfully yours,

GENE MAJESKE,
President, Morrow County Farm Bureau.

PENDLETON, OREG.,
August 4, 1965.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SIR: Not as a wheat farmer but as the nearest thing to one, his wife, I am writing you my judgment on the two best things the Government can do for the wheat farmer:

One, get out of our business.

Two, stop spending so much money.

How do the statisticians, as quoted by Congressman ULLMAN, know that the wheat certificate program raised farmer's income \$450 million? The income that counts, the part which is left after taxes on one side and expenses on the other, gets smaller every year.

Another set of meaningless statistics states that since 1947 the price of wheat has dropped 9 percent while bread has risen 47 percent. I can tell you from personal experience what has really happened on the farm since 1947.

While the cattlemen had voted an end to Government controls, the wheat men, threatened as always with a surplus, decided to stay in the Government program. Apparently no one in the Government or on the farm had ever heard of the law of supply and demand, or else thought it had been repealed. At any rate, everything was rosy in the late forties and the fifties. Price supports were high and crops were good. Wheat that could not be sold was absorbed by the Government. Although wheat farmers were not really trading in their Cadillacs as soon as

the ashtrays were full, they were like kids turned loose in a candy shop, buying all the machinery they wanted for the first time in history, and farming became the world's first automated industry.

At the same time they were bidding against outside investors for land.

Only economists controlled by farm bloc politicians could have failed to foresee the results. First, the use of wheat as a feed grain ceased, impossible at support prices, and wheat, the most nutritious livestock feed, continued to pile up. An embarrassed Government began a giveaway program which culminated in our ridiculous sale of subsidized wheat to the Russians, who claim to be our enemies. Land prices doubled and tripled, and real estate taxes tripled too.

The rush of machinery buying sent prices skyrocketing, while the machinery companies were squeezed in their own way by higher taxes and the increasing demands of labor, which had become a sacred cow to the Government since the reforms of depression days. But wheat men were saying that they had to keep buying new machinery so that the depreciation allowances would keep the income tax from eating them up, and machinery prices continued to rise.

In the meantime fertilizer entered the picture, and farmers, who had always taken pride in making two blades of grass grow where only one had before, accelerated the growth of the wheat surplus until it became a national scandal, and farmers were looked upon as villains. Bureaucratic acreage controls and the multiple price plan were inevitable. The first pays the farmer not to produce, a form of legalized racketeering, and the second is a foreign giveaway at the expense of the American processor, consumer, and taxpayer, which demoralizes the economy of the people who receive our largess while it weakens ours.

Was there a better way? The Oregon Wheat League found it, but they made one serious mistake—they sold wheat instead of wheat products. Before World War I, every town in the wheat country had its mills. Much flour in our area was exported to China and the byproducts, about a fourth of the total, were used to produce our horsepower. Although petroleum has now replaced wheat for this purpose, we should reactivate the mills or build new ones here instead of in foreign countries, making jobs at home; we should sell wheat products abroad; we should feed livestock on wheat and wheat byproducts for sale both at home and abroad.

Under a system of really free enterprise, which I have seen called outmoded, we would not be treated to the ridiculous spectacle of the farmers of this area trying to make a living from wheat alone, which we are allowed to raise in limited quantities only so that the price can be held too high to make it economical for feed, while our turkey industry has gone broke, most mills have long since faded from the picture, and we import meat, milk and poultry products into the county. And right across our nearest ocean is a booming economy of 90 million people with mouths watering for our beef which we can't afford to raise.

We can't afford our Robin Hood government, which is taking credit for our prosperity which really belongs to science and industry. The world had been preparing for our postwar burst of progress since the first man built a fire. From that progress America was able to help both its friends and former enemies to get back on their feet, and so delayed the depression which always follows war. But this prosperity is being endangered by continued deficit spending, to help a lot of people who cannot find jobs because deficit spending causes inflation, which in turn causes unemployment.

We are changing from a Nation of people who work for what they want to a horde of

supplicants who are given what the bureaucrats think they need. And if you think the bureaucrats are not in charge, just try to cut down on some of them and see what happens.

I am not against the war in Vietnam, as such, since I have read Dr. Dooley's book, "Deliver Us From Evil." But the tactics seem incomprehensible. Worst of all, we seem to have forgotten our real purpose, to prove that a society based on principles of justice, freedom, and individual responsibility under God is better than one based on atheism. We act as if man can, too, live by bread alone. The proliferation of welfare programs has left Americans with no incentive. Is it any wonder so many misbehave for kicks? In short, our fascistic and socialistic government is taking all the fun out of life.

You can put a stop to our slide into regimentation, however, by tightening the purse strings. Get the Government out of our private affairs; stop squandering our money on programs that don't accomplish what they are supposed to; and get on with the legitimate Government business of protecting us from our enemies.

Very truly yours,

Mrs. R. L. HARRIS.

Mr. MORSE. Mr. President, egg producers have informed me of their great interest in the Case-McGovern amendment to H.R. 9811 relating to a national marketing order for eggs. I ask unanimous consent that these communications be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEWBERG, OREG.,
August 27, 1965.

Senator WAYNE MORSE,
Washington, D.C.

It is my understanding that Senators CHASE and MCGOVERN will offer an amendment to the farms bill containing enabling legislation for the poultry industry. As an independent family-type farmer with 15,000 laying hens, I believe that egg producers are entitled to vote on their own future and would appreciate your support of this amendment.

BENSON C. MITCHELL, Jr.

NEWBERG, OREG.,
August 27, 1965.

Hon. WAYNE MORSE:

Senator CASE from New Jersey will introduce an amendment to the farm omnibus bill which is an enabling act. The enabling act which will only give the producer the right to vote on a marketing order. Please give your support to this amendment.

Sincerely,

MILTON R. KECK.

NATIONAL EGG PRODUCERS' ORGANIZATION,
LEXINGTON, Mo., August 5, 1965.

Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: We wish to call your attention to a serious situation confronting Oregon's egg industry. You will note in the enclosed "Shifting Egg Industry" that Oregon and other States are losing their egg industry to the Southeastern States because of cheap labor.

Senator CLIFFORD CASE, of New Jersey, has introduced the H.R. 7481 Resnick egg bill into the Senate and we are seeking cosponsors. The Resnick egg bill asks no Federal money or loans and is strictly self-help and enabling legislation. In short, it would permit the existing egg producers to agree and vote on a nationwide egg marketing order.

Virtually all the egg producers, the Department of Agriculture, National Grange, National Farmers' Union, National Farmers'

Organization, and all bona fide producer groups are in agreement on this Resnick bill.

The opposition comes from a few hatcheries, the Farm Bureau, and from the Southeastern States who admit they are out to take over the egg industry. It is difficult to "come out of committee" with the Resnick bill because 4 of 11 House Dairy and Poultry Subcommittee and 6 members of Senate Agriculture Committee are from this southeast area.

Our best bet would seem to be an amendment from the floor. Representative RESNICK intends to present his bill on the House floor.

The Resnick bill would not bring back lost egg production (we can't turn back the clock), but it would nail down existing production history in each State.

In closing we wish to call your attention to the enclosed "White Paper on Eggs" and kindly urge your cosponsorship with Senator CASE. I remain,

Sincerely yours,

FOREST NAVE, Jr.

NATIONAL EGG PRODUCERS' ORGANIZATION,
Lexington, Mo.

THE SHIFTING EGG PRODUCTION

Due to cheaper labor, the egg industry has been going south at the expense of other States. The Resnick bill would stabilize the industry and prevent further losses.

THE LOSERS [In million eggs]

	1955	1964
Colorado.....	336	262
Illinois.....	3,035	1,863
Indiana.....	2,289	2,182
Iowa.....	4,859	3,818
Kansas.....	1,723	927
Kentucky.....	1,029	943
Maryland.....	404	276
Massachusetts.....	704	607
Michigan.....	1,690	1,316
Minnesota.....	4,287	2,791
Missouri.....	2,132	1,366
Montana.....	225	189
Nebraska.....	1,790	1,397
Nevada.....	20	10
New Hampshire.....	429	348
New Jersey.....	2,433	1,632
New York.....	2,123	1,909
North Dakota.....	559	387
Oklahoma.....	829	530
Oregon.....	616	550
Pennsylvania.....	3,654	3,143
Utah.....	380	273
Vermont.....	201	156
West Virginia.....	396	327
Wisconsin.....	2,311	1,630

THE GAINERS

	1955	1964
Alabama.....	789	2,177
Arkansas.....	544	2,242
Florida.....	568	1,611
Georgia.....	1,213	3,299
Louisiana.....	364	542
Mississippi.....	585	2,160
North Carolina.....	1,469	2,388
South Carolina.....	510	1,053
Virginia.....	860	1,237

POVERTY WITH FULL EMPLOYMENT

(NOTE.—The following is the NEPO white paper on the poultry and egg industry prepared by Forest Nave, Jr., of Lexington, Mo., chairman of National Egg Producers Organization.)

Over 30 years ago, uncontrolled and unrestricted free enterprise almost destroyed itself in the Great Depression. During the intervening years many controls and safeguards have been applied to industry, labor, finance, welfare, and agriculture and we now enjoy the greatest era of prosperity and security in history.

The multibillion-dollar poultry industry is the last vestige of unregulated free enter-

prise and remains a chronic wasteland of poverty and exploitation.

The consumer can afford to pay a few pennies more for a dozen eggs because the U.S. Department of Agriculture points out that in 1947-49 an hour's factory labor would buy 2 dozen eggs and in 1963 it would buy 5 dozen eggs.

The poultry industry can be restored to solvency by legislation to put up a few economic stop signs and traffic lights to regulate the supply of poultry and eggs and once and for all end the senseless and costly overproduction that chronically plagues the industry. A few commonsense regulations by an enlightened Department of Agriculture would return many times over the small cost by income taxes from a now profitless industry.

The producers of wheat, feed grains, wool, cotton, rice, tobacco, peanuts, sugarcane, sugarbeets, soybeans, cottonseed, milk, butterfat, honey, and tung nuts have Government programs to insure them of a measure of financial security. The livestock producers are prospering by near-parity prices of \$28 for choice cattle and lambs and \$25 for hogs and the farmworkers get decent wages because of the elimination of the Mexican braceros and all this while the poultry and egg farmers are wallowing in poverty.

THE PROOF

The following statistics show what has happened to poultry and egg prices since 1951.

Average farm price

	Eggs	Chickens	Turkeys
1951-----	47.9	27.3	37.5
1952-----	41.9	26.4	33.6
1953-----	47.5	25.5	33.7
1954-----	36.4	21.3	28.8
1955-----	38.9	23.4	30.2
1956-----	38.7	18.8	27.2
1957-----	35.8	18.0	23.4
1958-----	38.3	17.7	23.9
1959-----	31.1	15.3	23.9
1960-----	36.0	16.3	25.4
1961-----	35.4	13.4	18.9
1962-----	33.6	14.6	21.6
1963-----	34.0	14.0	22.2
1964-----	33.5	13.7	21.3
1965-----	31.5	14.8	22.5
May 15, 1965-----	29.4		
Parity-----	48.0	22.1	32.0

The foregoing chart shows that as of May 15, 1965, farmers were receiving the following:

	Percent of parity
Eggs-----	61
Chickens-----	67
Turkeys-----	70

THE CAUSE

The pitiful economic status of the poultry farmers is due to several factors.

1. Poultry farmers have no organization among themselves as does labor.
2. No legislation to protect them.
3. No program as do other farmers.
4. They have no protection against the feed grain program which increases their costs.
5. Their greatest enemy is exploitation by certain feed companies and chain food stores who are constantly promoting new production with complete disregard for market needs. Their procedure is to induce uninformed people to invest their life's savings in the poultry business. They soon find they are working for nothing and they are soon forced out and their life's savings are lost in abandoned poultry houses. The promoters merely go to another community and repeat the process and the cheap poultry and eggs the consumer enjoys are subsidized by cheap labor and a constant supply of savings of victimized people.

SOLUTION

The solution really is very simple. We merely need a government operated program administered by the Agriculture Stabilization and Conservation Service (ASCS) which has an office in each county.

The program would be based on number of hens kept in the case of egg producers and pounds of broilers and turkeys sold in the case of broiler and turkey growers.

A "base" should be established for each producer according to his recent production history and if in a 12-month period prices were unfavorable the Secretary of Agriculture would call for a referendum in which all qualified baseholders would vote to accept or reject a reasonable cutback for the ensuing 12-month period.

This kind of a program would make it difficult for feed companies and chainstores to induce inexperienced outsiders to enter the poultry business because the newcomer would have no base (production history). The promoters would have to bargain with the existing poultry and egg farmers and we could have a stable and prosperous industry and unsuspecting outsiders would not be duped into putting their money in chickenhouses which are usually abandoned.

The National Egg Producers Organization (NEPO) has filed a proposed egg control bill with Representative WILLIAM RANDALL which is at this date in the process of being introduced in Congress.

FOREST NAVE, JR.,
Chairman, National Egg Producers
Organization (NEPO).

LEXINGTON, MO.

SALEM, OREG.,
August 27, 1965.

WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: We urge you to support Senator CASE's amendment to the omnibus farm bill—Senate amendment No. 423, which provides for a national marketing order for eggs.

This legislation will be a means of preventing the takeover of the egg industry by national feed concerns and elimination of family farming.

We have 3,000 hens. We are 60 years of age and our sole livelihood is dependent upon these hens. We have several neighbors in this same situation.

Thank you for your past favors.

Sincerely,

W. M. and J. DE MOISE WHITE.

Mr. MORSE. Mr. President, Mr. R. C. Burgess, interim superintendent, Division of Parks and Memorials, wrote me an important letter under date of August 11, 1965, dealing with Senator NELSON's proposed amendment to the farm bill. Mr. Burgess expressed the view that this amendment would constitute an excellent solution to recreation and wildlife problems. I ask unanimous consent that this letter be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DIVISION OF PARKS AND MEMORIALS,
Portland, Oreg., August 11, 1965.

HON. WAYNE MORSE,
Senator of Oregon,
Washington, D.C.

DEAR WAYNE: You may wonder what an old eastern Oregonian is doing in Multnomah County. Foresters and conservationists know no boundaries, and a fellow has to keep his interest even after so-called retirement.

Senator NELSON's (Wisconsin) proposed amendments to S. 1902—the big farm bill—would appear to be an excellent solution to

a lot of recreation and wildlife problems. These amendments make good sense from every angle. It is not often one can work out legislation that will benefit all parties concerned as these amendments appear to do. When we can get added cover and game feed with all the accompanying benefits from our soil bank land with a minimum of extra cost, let's give it the support it deserves.

Very sincerely yours,

R. C. BURGESS,
Interim Superintendent.

Mr. MORSE. Finally, Mr. President, I received a letter dated August 21 containing the very thoughtful views of Mr. Lawrence E. Spraker on the subject of the soil bank. It deserves serious consideration and I ask unanimous consent that this letter also be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STAYTON, OREG.,
August 21, 1965.

Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: If I remember newspaper accounts correctly the Senate soon will be considering the farm bill.

One provision of this measure would permit a soil bank of some kind.

If farmland is to be held out of production for a term of years provision should be included for plowing of the tillable acreages every summer to control Johnson grass which can be given a blow by exposure of its multitudinous roots to hot sunshine.

I speak from experience.

Two years ago we bought a 169-acre farm in the Turner area that had been in the soil bank for 5½ years and was continued in that category for another 6 months under our ownership.

Results: Johnson grass has taken a tremendous hold on the land. Plowing is extremely difficult; requires a special breaking plow and lots of expensive tractor power. And most destructive is the poor yield of the land because of the extensive Johnson grass root system.

By summertime plowing and the resulting exposure of these roots to hot sunshine we hope to get this pest under control. It can be treated chemically, but I'm told that costs \$20 an acre.

So, you can see, the soil bank has been a destructive factor. Definitely, fertility of the soil was not improved by allowing it to remain idle for 6 years.

In my view, an inducement (financial) should be written into the proposed law that would promote yearly cultivation or, say, a chemical treatment periodically.

Sincerely,

LAWRENCE E. SPRAKER.

INNOCENT MAN CLEARED—PRESIDENT GRANTS PARDON TO SERGEANT BUCK

Mr. DOUGLAS obtained the floor.

The PRESIDING OFFICER (Mr. MONTAÑA in the chair). Will the Senator from Illinois state the amount of time he wishes to take?

Mr. DOUGLAS. Mr. President, I ask unanimous consent, although it might be a somewhat ironical request, that any time I take not be included in the time allotted on the bill or on any amendment thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOUGLAS. I am delighted that no objection was made to that request.

Mr. President, it is my honor to announce to the Senate that a great wrong has been set right. The good name of an innocent man has been cleared. The President of the United States has granted a pardon based on his innocence to former Marine M. Sgt. Carl H. Buck. This has come, finally, 13 years after his conviction and after 9 years of effort and investigation by Mr. Howard Shuman of my staff and others on Buck's behalf. The facts in the case are substantially as follows:

CONVICTION

M. Sgt. Carl H. Buck, a marine with an unblemished record of almost 20 years of service, was convicted on August 19, 1952, by a general court martial at Camp Pendleton, Calif., of stealing three boxes of chevrons worth almost \$500 through an off-the-record deal in which it was alleged he gave \$50 in return.

The crime occurred at noon on March 7, 1952. Buck was convicted even though he was arrested 25 miles from the scene of the crime only 8 to 10 minutes after the crime took place, according to the definite testimony at the trial of California highway police officer, William Doran, who stopped him. The real culprit was a marine in a light colored or yellow Studebaker. The reason for the mistaken identity was that Sergeant Buck was also a marine driving a yellow Studebaker.

Sergeant Buck was originally confined for over 3 days for investigation but was released to duty and told that no charges would be placed against him. He would never have been released, as he was, if the testimony later given at his trial had really been true.

Four months later, however, he was charged, and 5 months later, on August 19, 1952, he was convicted.

CURIOUS CIRCUMSTANCES

He was convicted under curious circumstances, not the least of which was that his defense counsel was called as a prosecution witness.

In addition, it was alleged that he had confessed.

He was identified as the culprit by two people at the scene of the crime, but not by a third person who was there.

It was said that chevrons wrapped in an Army blanket were left at his lawyer's office 11 days after the crime took place. It was alleged that Buck had returned the chevrons.

Finally, it was said that he asked for his money back—the \$50 which was paid for the chevrons worth about \$500.

Mr. President, we have spent years investigating this case. We found out numerous things which have now, finally, brought justice for Sergeant Buck.

TIME ELEMENT

We obtained radio logs from the California Highway Police and the Ocean-side, Calif., Highway Police Department which prove that Buck was apprehended at a time which made it impossible for him to have traveled the 25 miles. In addition, we have established that Buck's car was incapable of the high speed because it had a bad camshaft. He was in Oceanside, Calif., just

outside the base, on the morning of the crime, in order to arrange for the camshaft to be replaced, which, later, it was.

We have corroborative evidence from the police radio logs of Police Officer William Doran's testimony to establish that at the absolutely latest time Buck could have been apprehended in order to have been the guilty party, he would have had to drive the last 18 miles of the 25 miles in from 13 to 16 minutes, or at an average speed of from 67 to 89 miles per hour, through a driving rain at the noon hour, to have met 150 cars coming his way and to have overtaken approximately 75 cars on a 3 lane highway, through 6 towns, 9.5 miles of built-up areas, past 91 intersections, through 7 or 8 stop lights, and to have disposed of the stolen goods and then to have pulled up in front of the highway police officer and calmly gotten out of his car in order to fix a dangling license plate which had been called to his attention by a motorist who stopped him at the Solana Beach, Calif., intersection. He was not speeding when seen by the police officer.

Unlike the real culprit, he was wearing a green uniform, not khaki, was clean shaven and without a mustache, and he did not have the chevrons in his car. Furthermore, there was no blanket or robe in his car, which the culprit had used to cover the boxes of chevrons, and there was also no sweater or jacket or shawl which the real culprit used at the scene of the crime to protect his head from the driving rain.

THE UNKNOWN BLACKMAN

At the trial, the military policeman who was charged with setting a trap for the real culprit and who, due to his own neglect and incompetence, let the real culprit escape, swore that he had Buck's name ahead of time. But the radio logs prove that at 1 p.m., or 50 minutes after the crime took place, this investigator did not know the name of Buck.

Two California highway police officers gave us affidavits stating that the military police were looking for a "Blackman," not "Buck" at the noon hour on March 7, 1952.

But, at the trial, the military policeman swore that "there was no Blackman." He was positive. He had looked everywhere. But 2 years ago we found a Blackman who was stationed at Camp Pendleton at the time by merely asking the Marine Corps about it. We now know there were a total of at least seven men by that name stationed at Camp Pendleton or at the Marine Corps Recruit Depot, San Diego, at the time.

In June of this year, by what must be considered almost a miracle, we were able to obtain the original handwritten notes of the military policeman or investigator which he made at the time the crime took place 13 years ago. They show in his own handwriting the names of three men named "Blackman." Yet, his insistent and repeated testimony at the trial was that there "were no Blackman's." One of the names he had was the same Blackman we found 2 years ago.

ALLEGED CONFESSION

It was this same military policeman who testified that Buck had confessed.

Yet there were no other witnesses to the confession. There was no written confession. There was not even a memorandum about the confession. It was only the CID man's word. In addition, we were able to establish from a 1952 map of Camp Pendleton and the original statement of one of the other witnesses that the facts which it was alleged Buck had confessed to were both physically and inherently improbable.

THE PHONY CHEVRONS

We found that, with respect to the alleged return of the chevrons:

First. The man to whom they were delivered and who later became Buck's defense counsel, did not know Buck at the time the chevrons arrived and Buck did not know him.

Second. The chevrons which were returned were in an Army blanket which contained private first class chevrons and no green chevrons. The chevrons which had been stolen were corporal and sergeant chevrons and included green chevrons. At the trial, a third box of chevrons was introduced as prosecution exhibit No. 1. But neither the stolen chevrons nor the returned chevrons were produced. The chevrons introduced by the prosecution and the chevrons returned were like "the flowers that bloom in the spring," they had nothing to do with the case.

Third. We were able to establish from the records of the U.S. Naval hospital in San Diego that Buck was in that hospital, 50 miles away, flat on his back with spinal myositis on the date some chevrons wrapped in an Army blanket were left at the office of the man who only later became Buck's defense counsel.

TAINTED TESTIMONY

We also made a most startling discovery with respect to the sworn testimony that Buck had asked for his \$50 back. The \$50 paid for the stolen goods consisted of two \$20 bills and two \$5 bills.

Several years ago Buck gave us a sworn statement about this matter. What happened was that when he was arrested and put in the brig, his wallet and clothes were taken from him. He remembered that he had a \$50 bill—not the two twenties and two fives which were paid for the stolen goods—in an inner compartment of his wallet as "mad money." He retrieved his wallet, took out the \$50 bill, and turned it in. The CID military policeman said at that time:

Take down the number. It's probably counterfeit.

When Buck came out of the brig he asked for his "\$50 bill," not the two twenties and two fives paid for the stolen goods. But, at the trial, the CID man swore that Buck asked for his money back—the money paid for the stolen loot.

Again, Mr. President, we made an amazing discovery. In the original documents written in the period March 7, to 25, 1952, which we obtained in June of 1965, we found the confinement order which sent Buck to the brig. On the top of that order is the handwritten notation, "\$50 bill" and the serial number of that bill.

of assurance of operating income from long-term patients has retarded the development of nonprofit nursing homes in the past. The new Medicare Act, which assures a return of operating costs for the care of elderly patients, will remove one of the hindering factors. In my opinion, only the lack of adequate funds for construction stands in the way of a spectacular expansion of nonprofit institutions into the nursing home field.

While the Hill-Burton program will continue to provide an important segment of the nursing home expansion in the public and voluntary areas, it cannot be expected to fill the whole gap. Even so, the relatively small percentage of Federal funds allotted to each project places a heavy debt burden on the sponsors with resulting high debt servicing costs. These are beyond the ability of most nonprofit sponsors to carry.

To remedy this situation, I am today introducing legislation which will establish a 2-year program of low-interest Federal loans for construction of properly accredited nursing homes. These loans will be made only to private nonprofit corporations, limited dividend corporations and public agencies.

As a member of the Housing Subcommittee, I have watched the successful progress of the 202 direct loan program of housing for the elderly which I had the pleasure of originally sponsoring. And in certain respects, it has served as a model for the program I am introducing today. We have found that use of the direct loan program, now pegged at the rate of 3 percent, has proven to be a highly effective and economical mechanism for stimulating nonprofit sponsors and limited dividend corporations in their plans for construction of residential housing for the elderly. A similar program—aimed at filling the need for new nursing homes—will provide the necessary funds and low financing charges which will enable the nonprofit sponsors to build the nursing homes we so urgently need.

Because of the particular problems associated with building acceptable, standard nursing homes, I have included the requirement that applicants for this loan program meet the standards set down for nursing homes under the medicare legislation.

I am asking that Congress authorize \$50 million for the first year of this new program and \$100 million for its second year.

Mr. President, I ask unanimous consent that this bill lie on the table for 1 week for additional cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from New Jersey.

The bill (S. 2520) to authorize the Secretary of Housing and Urban Development to make loans for the provision of urgently needed nursing homes, introduced by Mr. WILLIAMS of New Jersey, was received, read twice by its title, and referred to the Committee on Banking and Currency.

PERMISSION FOR MAILING BY STATE MOTOR VEHICLE AUTHORITIES OF CERTAIN MATTER AS THIRD-CLASS MAIL

Mr. PEARSON. Mr. President, on behalf of the Senator from Pennsylvania [Mr. SCOTT], I introduce, for appropriate reference, a bill to amend the United States Code so that vehicle registrations, driver's license applications, and notices of driver's license renewals which now require postage at the first-class rate can be mailed by the States at rates charged for third-class mail.

The bill conforms with a proposal of the National Governors' Conference which was held in Minneapolis last month. It would constitute a direct form of Federal aid to the States, unencumbered by any of the carrying charges required to pay the middlemen in Washington when the Federal Government first taxes the States, and then returns funds in the forms of grants. It would help the States to help themselves.

Prompt consideration of this legislation is urged.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2521) to permit the mailing by State motor vehicle authorities of certain matter as third-class mail, introduced by Mr. PEARSON (for Mr. SCOTT), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENTS OF CONVENTION OF INTERGOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the Senate remove the injunction of secrecy from Executive H, 89th Congress, 1st session, amendments to articles 17 and 18 of the Convention of the Intergovernmental Maritime Consultative Organization, and that the amendments, together with the President's message, be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to acceptance, I transmit herewith amendments to articles 17 and 18 of the Convention of the Intergovernmental Maritime Consultative Organization, which amendments were adopted on September 15, 1964 by the Assembly of the Intergovernmental Maritime Consultative Organization at its second extraordinary session, held at London from September 10 to 15, 1964.

The amendments, which relate to the composition of the Council of the Intergovernmental Maritime Consultative Organization, enlarge the membership of the

Council from 16 to 18, provide for a more democratic method of electing such members, and insure a more equitable geographic representation on the Council.

I transmit also, for the information of the Senate, the report of the Secretary of State with respect to the amendments.

I recommend that the amendments be given favorable consideration by the Senate.

LYNDON B. JOHNSON.

THE WHITE HOUSE, September 13, 1965.

FOOD AND AGRICULTURE ACT OF 1965—AMENDMENTS

AMENDMENT NO. 445

Mr. ROBERTSON submitted an amendment, intended to be proposed by him to the amendment (No. 441) to be proposed by Mr. BREWSTER to House bill 9811, the Food and Agriculture Act of 1965, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 446

Mr. AIKEN (for himself and Mr. WILLIAMS of Delaware) submitted an amendment, intended to be proposed by them, jointly, to House bill 9811, the Food and Agriculture Act of 1965, which was ordered to lie on the table and to be printed.

AMENDMENT OF TITLE V OF THE INTERNATIONAL CLAIMS SETTLEMENT ACT OF 1949, RELATING TO CERTAIN CLAIMS AGAINST THE GOVERNMENT OF CUBA—AMENDMENT

AMENDMENT NO. 447

Mr. SPARKMAN submitted an amendment, intended to be proposed by him, to the bill (S. 1826) to amend title V of the International Claims Settlement Act of 1949 relating to certain claims against the Government of Cuba, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. PELL. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Delaware [Mr. BOGGS] be added at the next printing as of 1949 relating to certain claims against a cosponsor of Senate Joint Resolution 16, which grants the consent of Congress to the States of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia to negotiate and enter into a contract to establish a multistate authority to construct and operate a passenger rail transportation system within the area of such States and the District of Columbia.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICES OF RECEIPT OF NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that on

September 8 the Senate received the nominations of Mr. John H. Burns, of Oklahoma, to be Ambassador to Tanzania, and Mr. Richard H. Davis, of the District of Columbia, to be Ambassador to Rumania.

In accordance with the committee rule, these pending nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

Mr. President, as chairman of the Committee on Foreign Relations, I desire also to announce that today the Senate received the following nominations:

U. Alexis Johnson, of California, to be Deputy Under Secretary of State for Political Affairs.

The following-named persons to be Representatives of the United States of America to the 20th session of the General Assembly of the United Nations:

Arthur J. Goldberg, of Illinois.

Charles W. Yost, of New York.

BARRATT O'HARA, U.S. Representative from the State of Illinois.

PETER H. B. FRELINGHUYSEN, U.S. Representative from the State of New Jersey.

William C. Foster, of the District of Columbia.

The following-named persons to be alternate representatives of the United States of America to the 20th session of the General Assembly of the United Nations:

James M. Nabrit, Jr., of the District of Columbia.

JAMES ROOSEVELT, U.S. Representative from the State of California.

Mrs. Eugenie Anderson, of Minnesota.

William P. Rogers, of Maryland.

Miss Frances E. Willis, of California; and the nomination of Mrs. Marjorie McKenzie Lawson, of the District of Columbia, to be the representative of the United States of America on the Social Commission of the Economic and Social Council of the United Nations.

In accordance with the committee rule, these pending nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. SMATHERS:

Presentation and acceptance speech in connection with the Eloy Alfaro International Foundation Award to Dr. R. W. Puryear, president of Florida Memorial College.

By Mr. YARBOROUGH:

Editorial and articles in tribute to Woodrow Wilson, at the State bar convention and by Houston Chronicle.

By Mr. JAVITS:

Article entitled "Vietnam: Nation of Refugees," written by Harry Altshuler and published in the New York World Telegram and Sun of August 16, 1965; an article entitled "The Plight of Refugees in Vietnam," published in the Des Moines Register of July 6, 1965.

By Mr. BAYH:

Essay entitled "My Responsibility to America," written by Nycha Schlegel of Daleville, Ind.

THE INFORMATIONAL MEDIA GUARANTEE FUND PROGRAM OF THE U.S. INFORMATION AGENCY

Mr. DODD. Mr. President, I note with great pleasure the introduction of a bill, S. 2256, to revise the structure of the informational media guarantee fund program of the U.S. Information Agency.

This program has been in effect since 1948, having been stimulated by findings of a joint congressional committee which had exhaustively studied the U.S. overseas information program. The purpose of the program is to advance the U.S. national interest by the overseas sale, through private channels, of U.S. informational media, including books, magazines, newspapers, and motion pictures.

To achieve that end, the Government guarantees to American exporters, where necessary, the convertibility of foreign exchange obtained by sales of their products.

The Subcommittee on State Department Organization and Public Affairs of the Committee on Foreign Relations issued a report in 1958 supporting this program. The chairman of that subcommittee was the distinguished Majority Leader, the senior Senator from Montana.

I have supported this program in the past as an exceedingly effective way of getting American books and magazines into some key countries, where there is no possibility of placing them there through normal commercial channels.

The program is now operating in Afghanistan, Guinea, Korea, Pakistan, Poland, Turkey, Vietnam, and Yugoslavia. U.S. publications are purchased in these countries by consumers who want them and are willing to pay for them. Magazines thus acquired carry little of the propaganda taint usually ascribed to Government publications.

S. 2256 appears to be designed to expand the scope and effectiveness of the informational media guaranty fund program, in order to permit it to operate in the many other countries where information about the United States is needed and where exporters encounter difficulties.

The spring 1965, issue of the George Washington magazine contains an excellent and thoughtful article by Edgar R. Baker, a vice President of Time Inc., entitled "The American Magazine Overseas." In that article, Mr. Baker pays tribute to the informational media guaranty program and points out that:

It has enabled U.S. magazines to seek out readers in countries otherwise closed to them by exchange restrictions and thus deserves great credit for helping establish U.S. magazine footholds in strategically important nations.

I ask permission to insert appropriate portions of the article in the RECORD at this point.

There being no objection, the excerpts from the article were ordered to be printed in the RECORD, as follows:

THE AMERICAN MAGAZINE OVERSEAS

(By Edgar R. Baker)

A short while ago, when the foreign minister of Red China arrived at a meeting in Peking with the President of Pakistan, he

brought several things: dossiers and notes, assistants and translators—and, under his arm, the current issue of Time with his portrait on the cover.

What was said about Time by the minister to the President (himself a former cover subject) is not known and not really important. What is to be noted is that American magazines like Time are as well known and read in great cities of the world like London and Buenos Aires, Milan, and Melbourne, as they are in Washington and New York.

It is also interesting to note that the copy of Time carried by the foreign minister was probably 1 of 50 regularly purchased by Chinese agents from a certain newsstand in Tokyo and flown to Peking via diplomatic pouch. Time and other American magazines are not allowed to reach the public behind the Bamboo Curtain.

Despite only selective distribution in Communist countries behind whatever curtains, the combined circulation of American magazines in some 150 other countries now amounts to about 17 million copies per issue—a foreign circulation vastly greater than the home circulation ever achieved by the magazine industry of any other country.

Several points should be made about this world penetration of American magazines.

First, it has been brought about by private enterprise without Government subsidy. Magazines published by the U.S. Information Service for distribution in Iron Curtain countries are not included in my figures. It should be acknowledged, however, that for some years the Department of State has operated the informational media guaranty program (IMG) under which State, for a fee sufficient to cover its expenses, redeems for dollars various local currencies which publishers themselves cannot convert. Although this program never covered more than 2 or 3 percent of overseas circulations, it has enabled U.S. magazines to seek out readers in countries otherwise closed to them by exchange restrictions, and thus deserves great credit for helping establish U.S. magazine footholds in strategically important nations.

Secondly, American magazines have been able to attract audiences all over the free world because the English language is becoming more and more the lingua franca of educated people. English is required or recommended as a second language in most of the free world's secondary school systems. More and more foreign students are coming to the United States for higher education—some 70,000 this year. English is the unofficial language of international business.

The third point is that much of the thrust of American magazines has been exerted since World War II. National Geographic, it is true, has had readers abroad since 1888, but most of its 650,000 foreign readers have been added in the past 20 years. Reader's Digest has published editions in other languages since 1940. But it was not until during and after World War II that the weekly and fortnightly news magazines moved energetically overseas.

At the time he announced the formation of Times-Life International in September 1945, Henry R. Luce declared that "America as a nation and we as journalists can no longer afford to be apart from the world." On the theory that men who are continually informed about others are less likely to make war upon them, he committed the new division to make American ideas and attitudes as reflected in Time and Life available to all who wished to know them. Hopefully, but secondarily, he wanted the job done at a profit.

There was no immediate prospect of financial gain at the time of this decision. Much of Europe and Asia were in ruins. There was small reader ability to pay, and smaller immediate prospects of advertising income. For several years losses were substantial, but the enterprise has been constantly profitable since 1949.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
(NOT TO BE QUOTED OR CITED)

Issued Sept. 15, 1965
For actions of Sept. 14, 1965
89th-1st; No. 169

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HIGHLIGHTS: Senate passed farm bill. Sen. McGovern urged sale of wheat to Russia. Sen. Douglas commended increased exports of beef. House Rules Committee cleared bill to expand various FHA loan authorities. House received conference report on bill to expand poverty program. Rep. Bandstra urged passage of bill to provide loans for rural water systems. Rep. Dole opposed 50 percent shipping restriction on wheat shipments to Russia.

SENATE

1. FARM PROGRAM. Passed, 72 to 22, with amendments H. R. 9811, the farm bill (pp. 22864-923, 22969-71). Conferees were appointed (p. 22920). House conferees have not yet been appointed.
Agreed to an amendment by Sen. Ellender to provide that for each of the 1966, 1967, 1968, and 1969 crops of upland cotton, the total amount of price support to a cooperator shall not be less than an amount determined by multiplying the farm acreage allotment by the projected farm yield by 65 percent of the parity price for cotton at the beginning of the marketing year. p. 22905

Rejected the following amendments:

- By Sen. Brewster, as modified by an amendment by Sen. Robertson, 33 to 56, to provide that no corporation except a producer of sugar shall be eligible for price support loans or payments, and no producer shall be eligible for price support loans or payments in excess of \$25,000 in any one year. pp. 22864-80
- By Sen. Williams, Del., 42 to 49, to provide that no producer shall be eligible for price support loans or payments in excess of \$50,000 in any one year. pp. 22880-2
- By Sen. Williams, Del., 42 to 50, to provide that no producer, except sugar producers, shall be eligible for price support loans or payments in excess of \$100,000 in any one year. pp. 22884-8
- By Sen. Magnuson, to permit lessees of State lands to participate and receive benefits under diversion or allotment programs on one or more farms although he may have an interest in other farms not complying with the crop reduction programs. pp. 22895-8
- The following amendments were submitted and later withdrawn:
- By Sen. Case, to authorize a marketing order for eggs. pp. 22882-4
- By Sen. Javits, to provide for the establishment of a Commission on United States Food and Fiber Policy. pp. 22889-94
- By Sen. Mundt, to provide that CCC shall not make any sales of wheat at less than 115 percent of current support price, plus reasonable carrying charges. pp. 22899-904

Sen. Bass commended Secretary Freeman for "a remarkable job in contending with some of the most worrisome problems in the field of government," and inserted an editorial, "Agriculture Secretary Deserves Much Credit." pp. 22971-2

2. BEEF EXPORTS. Sen. Douglas commended the increase in beef exports, stating that exports of beef and veal for the first quarter of 1965 were double those of the preceding year, and live cattle exports were almost 70 percent above last year's first quarter. p. 22973
3. WHEAT. Sen. McGovern expressed delight "to see Canadian wheat farmers prospering," stated that he was "disappointed only that U. S. wheat farmers, who have had to cut acreage time after time to avoid surpluses, are not sharing in the sales to Russia which have made the Canadian prosperity possible," and inserted several articles on Canadian wheat production and sales. pp. 22972-3
4. FORESTRY. Concurred in the House amendments to S. 7, to authorize the Secretary of Agriculture to establish the Spruce Knob-Seneca Rocks National Recreation Area as a part of the Monongahela National Forest, W. Va. This bill will now be sent to the President. p. 22944
5. FOOD. Sen. Hruska inserted an article, "Food and Politics - How Government Focuses Conflicting Pressures," which he stated "points out some of the political pressures from various sources, with various conflicting objectives, which are being focused on our food production and distribution system." pp. 22962-4
6. BUDGET BUREAU. Sen. Yarborough stated that many of his colleagues must have "felt the frustration when we as a legislative branch of the Government have been seriously handicapped by action of the Bureau of the Budget which we

Senate

TUESDAY, SEPTEMBER 14, 1965

(Legislative day of Monday, September 13, 1965)

The Senate met at 11 o'clock a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. METCALF).

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of our fathers and our God, whose mercy is like the wideness of the sea, amid all life's changing scenes, make us ever conscious of Thy overshadowing presence. In spite of the hellish gravitation of evil, we thank Thee for the unquenchable impulse toward the high and holy Thou hast planted within us.

Open our eyes, we pray, to see and touch the hem of Thy garment not just on the outer rim of the universe where whirling orbs seem always to chorus, "forever singing as they shine, the hand that made us is divine," but also in the human love which hallows our individual lives and sanctifies our homes and shines in the kindly light which guides our steps.

Gird us, with all our shortcomings to be exemplars of a love which at its best bears witness to Thee and which alone is the balm to burn barriers away and to cure the hurt of the world.

We ask it in the name of that One through whose life there flows Thy love for all mankind. Amen.

FOOD AND AGRICULTURE ACT OF 1965

The ACTING PRESIDENT pro tempore. Following the recess, under the unanimous-consent agreement, the Chair lays before the Senate the unfinished business, which is H.R. 9811.

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

THE JOURNAL

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield me 3 minutes on the bill?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. I ask unanimous consent that the reading of the Journal of the proceedings of Monday, September 13, 1965, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries.

REPORT OF OFFICE OF MINERALS EXPLORATION, GEOLOGICAL SURVEY—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Interior and Insular Affairs:

To the Congress of the United States:

I transmit herewith the 14th semi-annual report of the Office of Minerals Exploration, Geological Survey, from the Secretary of the Interior as prescribed by section 5 of the act of August 21, 1958, entitled "To provide a program for the discovery of the mineral reserves of the United States, its territories, and possessions by encouraging exploration for minerals, and for other purposes."

LYNDON B. JOHNSON.

THE WHITE HOUSE, September 14, 1965.

VISIT TO THE SENATE BY ASTRO-NAUTS COOPER AND CONRAD

Mr. MANSFIELD. Mr. President, for the information of the Senate, and on behalf of the distinguished minority leader and myself, I wish to inform the Senate that Astronauts Lt. Col. L. Gordon Cooper and Comdr. Charles Conrad, Jr., and members of their families will visit the Senate at about 4 o'clock this afternoon. It is anticipated that at that time there will be a recess of some duration.

COMMITTEE MEETINGS DURING SESSION OF THE SENATE

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Finance, the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare, and the Special Ad Hoc Subcommittee of the Committee on Public Works were authorized to meet during the session of the Senate today.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs may be permitted to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, on the remainder of my time, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to consider executive business to consider the nominations on the Executive Calendar to the International Atomic Energy Agency only.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

INTERNATIONAL ATOMIC ENERGY AGENCY

The Chief Clerk proceeded to read sundry nominations in the International Atomic Energy Agency.

Mr. MANSFIELD. I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and agreed to en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

On request by Mr. MANSFIELD, and by unanimous consent, the Senate resumed the consideration of legislative business.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time be charged to the time on the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Russell of South Carolina in the chair). Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, on behalf of the joint leadership, I request that as many Senators as possible remain in the Chamber, to the end that perhaps the pending bill may be disposed of today. Much will depend upon the attendance of Senators, so I hope that the Senators will take notice accordingly.

Mr. BREWSTER obtained the floor.

Mr. PROXMIRE. Mr. President, will the Senator from Maryland yield 2 minutes?

Mr. BREWSTER. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I thank the distinguished Senator.

AMERICAN FARMER THE BIG LOSER IN PRESENT PROSPERITY

Mr. PROXMIRE. Mr. President, Sylvia Porter is a remarkably clearheaded economic commentator. She has been concerned with economic problems of our cities, of our consumers, and generally of all our people. Rarely if ever has she commented on farm economics.

Recently she analyzed the current prosperity, and in her clearheaded objective manner she found that the biggest winners were the wage earners, that American corporations had also won a huge increase in profits, and that those who own bonds and mortgages had won a sharp hike in interest. Proprietors and small businessmen had lagged behind but had still enjoyed some increase in profits. Professional people had enjoyed a steady and sharp increase.

But the big loser is the American farmer.

Let me quote Miss Porter:

A big loser was, as you might suspect the American farmer. Total farm income was

actually down 8 percent in 1964 to \$12 billion. The farmer's share of the national income pie today is a scant 2.3 percent, less than one-third what it was in 1948. The total share of the national income that we receive in the form of interest is larger than the farmer's share and the decline in the farmer's position has not yet ended.

Mr. President, as we consider this farm bill and hear some say, as a Senator said on this floor just last Friday, that farmers are riding around in air-conditioned Cadillacs, let us remember the farmer is at the very bottom of the barrel. His income, as Miss Porter says, is one-third as high a proportion of total national income as it was in 1948—just think of that.

He works longer hours than almost anyone else in the economy, makes a big investment, takes a whale of a risk, and receives a pitifully inadequate income. In my State our dairy farmers earn far less than 50 cents for each hour they work, according to the Department of Agriculture, and they are the most efficient dairy producers in the world.

I ask unanimous consent that the Porter article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WAGE EARNERS BIGGEST WINNERS

(By Sylvia Porter)

Which of you got how much of the spectacular \$33.3 billion rise in our national income last year? To what extent are you—the individual wage earner, big businessmen, investor—spurring ahead? To what extent are you—the farmer, small businessman—lagging behind?

The biggest chunk of 1964's rise—\$22.3 billion—went to U.S. workers in wages and salaries, a new compilation by the Commerce Department discloses. In terms of dollars, you, the wage earner, have been the biggest winner and you're now getting a record 64.8 percent of the national income pie.

The next biggest chunk—\$6.4 billion—went to U.S. corporations in the form of profits. In terms of percentages, corporation profits rose the most last year—a full 11 percent. The overall share of the national income pie going to corporations has been declining, though, and is now at 12.5 percent.

FARMER BIG LOSER

The third biggest chunk—\$1.6 billion—went in the form of interest to tens of millions of Americans who have savings accounts and who hold Government and corporation bonds. Due to the dramatic rise in the level of interest rates in the past 15 years and the upsurge in the volume of our savings, interest is accounting for an ever-rising total of our national income. The share of the income pie going to interest last year was 3 percent against 0.8 percent in 1948.

Lagging behind on the U.S. income ladder were proprietors—small businessmen and professionals. Their combined slice of the increase in our national income was only \$1.3 billion and this was despite the fact that the income of professionals alone has been rising steadily and sharply.

A big loser was, as you might suspect, the American farmer. Total farm income was actually down 8 percent in 1964 to \$12 billion. The farmer's share of the national income pie today is a scant 2.3 percent, less than one-third what it was in 1948. The total share of the national income that we receive in the form of interest is larger than the farmer's share and the decline in the farmer's position has not yet ended.

RENT SHARE HOLDS STEADY

The share going to rent—which includes the rental value of owned homes—is holding steady these days. After skyrocketing in the early postwar era it has stabilized at around 3.5 percent of the national income.

A most significant development in recent years is the soaring importance of fringe benefits in the national income picture. As recently as 1948, fringe benefits accounted for only 2.6 percent of the national income. Last year, the share of our income going out in the form of fringe benefits was up to 6.2 percent. With contributions to private and public pensions and welfare funds in a relentlessly steep uptrend, there is no doubt that fringe benefits will continue to account for a rising share.

The following table gives you a long-range perspective on how our income pie has been changing. The year 1929 reflects the division of a generation ago and 1948 was selected as the first normal postwar year:

[In percent]

	1929	1948	1964
Wages and salaries	58.1	60.4	64.8
Fringe benefits	.8	2.6	6.2
Small business and professionals	10.3	10.1	7.6
Farmers	7.1	7.8	2.3
Landlords (rent)	6.3	3.6	3.5
Corporation profits	12.1	14.7	12.5
Net interest	5.4	.8	3.0

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. BREWSTER. Mr. President, I yield myself 15 minutes.

Yesterday I advised the Senate that I would call up amendment No. 441, and it was laid before the Senate. I should like to speak for the next 15 minutes in support of that amendment. I advise the Senate that at the conclusion of my remarks, I shall ask for the yeas and nays on this proposal.

I rise to offer an amendment that would effectively prevent any producer from receiving more than \$10,000 annually from our overburdened American taxpayers. My amendment would prohibit the Department of Agriculture from making excessive price support payments and crop loans to any agricultural producer.

I offer this amendment because I firmly believe our agricultural support programs are out of hand. As they are now operated, they are not helping the small family farmer, they are not helping the consumer, and they are not helping the taxpayer. The plain fact is that our present agricultural commodity stabilization program is, in effect, benefiting large farmers at the taxpayer's expense, while the small family farmer is being tossed the remaining crumbs.

I call to the attention of Senators the fact that on the recent wheat referendum in my State of Maryland, the wheat producers, by a margin of 2 or 3 to 1, voted against the 4 wheat program. Our wheat producers are all small farmers.

Let us, for a moment, consider the shocking increased costs of our ineffective price support programs.

The annual cost of stabilization programs has increased 900 percent since 1955. It has been my privilege to serve in Congress since 1958. I have heard program after program brought into these halls by dedicated and sincere Members who assert that their programs would cut the cost of the main program. It has not happened. In 1955, the program I am speaking about cost \$260 million. It has now hit an all-time record of \$2.6 billion.

I ask: Where will this outrageous burden to the taxpayer end, if we do not place some limits on it now?

My amendment seeks to put the brakes on extravagant Federal spending programs.

While I fully recognize the difficulty of totally eliminating our gigantic price support and crop loan programs overnight, I believe that it is imperative that these ineffective and wasteful programs be reduced to reasonable proportions without delay. The time to start is now.

I am reminded of the brilliant words of a great American now gone:

To start a thousand-mile journey you must take the first step.

This is what I propose.

It is difficult for me to comprehend why the Department of Agriculture keeps coming back to Congress year after year to renew an agricultural program which is a holdover from the depression years of the 1930's.

The problems which existed then and those which exist today are entirely different. It is sheer folly for the "doctors" to continue to give the same medicine. What we need today is an agricultural program suited to the needs of the growing and dynamic economy of modern America.

Our farm subsidy programs only postpone the day on which we shall have to confront our Nation's agricultural problems fairly and squarely.

In the meantime, why should so many farmers have to suffer as the result of unimaginative farm programs?

Why should the taxpayers continue to be saddled with this multibillion-dollar burden? Why should the consumers be

forced to pay, in part, artificially high prices?

I have been to the Department of Agriculture to find out who is being paid how much. I was shocked at the lack of available information on the subject. I was unable to find the names of the producers collecting over \$10,000 in annual benefits from Uncle Sam.

I obtained this information from the Government accounting agencies. With some difficulty, I then obtained some statistics regarding the number and size of price support loans made by the Commodity Credit Corporation of the Department of Agriculture.

Mr. President, before I discuss these figures, let me remind the Senate that the figures will be only a portion of the billions of dollars we are spending on agriculture today.

I ask unanimous consent to have printed in the RECORD a table designated "A," obtained from the General Accounting Office on the operations of the Commodity Credit Corporation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE A.—Price-support loans made on 1964 crops, dollar size distribution (grains excluding corn)

	Number of loans	Quantity pledged	Amount loaned		Number of loans	Quantity pledged	Amount loaned
BARLEY				OATS			
Under \$500.....	1,753	<i>Bushels</i> 1,870,951	\$1,439,733.14	Under \$500.....	5,664	<i>Bushels</i> 7,380,289	\$4,253,461.54
\$500 to \$999.99.....	1,809	1,722,501	1,315,397.56	\$500 to \$999.99.....	4,303	5,400,224	3,081,002.07
\$1,000 to \$1,499.99.....	1,077	1,722,504	1,321,565.21	\$1,000 to \$1,499.99.....	2,426	5,190,111	2,952,750.94
\$1,500 to \$1,999.99.....	622	1,399,332	1,073,195.05	\$1,500 to \$1,999.99.....	1,375	4,133,175	2,362,620.09
\$2,000 to \$2,499.99.....	382	1,113,196	852,654.74	\$2,000 to \$2,499.99.....	772	2,980,303	1,708,850.55
\$2,500 to \$2,999.99.....	258	923,642	708,459.53	\$2,500 to \$2,999.99.....	478	2,263,348	1,294,383.09
\$3,000 to \$3,999.99.....	266	1,177,558	919,102.06	\$3,000 to \$3,999.99.....	546	3,247,262	1,874,101.28
\$4,000 to \$4,999.99.....	115	658,187	513,300.08	\$4,000 to \$4,999.99.....	257	1,968,840	1,140,473.29
\$5,000 to \$9,999.99.....	196	1,639,312	1,283,249.80	\$5,000 to \$9,999.99.....	389	4,297,809	2,555,578.38
\$10,000 to \$24,999.99.....	37	631,799	504,065.99	\$10,000 to \$24,999.99.....	100	2,278,122	1,383,156.42
\$25,000 to \$49,999.99.....	6	200,589	183,048.81	\$25,000 to \$49,999.99.....	10	539,163	358,480.80
\$50,000 and over.....	7	1,857,742	1,753,175.76	\$50,000 and over.....	1	953,125	691,015.62
Total.....	6,528	14,917,313	11,866,947.73	Total.....	16,321	40,631,771	23,655,874.07
BEANS, DRY EDIBLE				RICE			
Under \$500.....	154	<i>Hundred-weight</i> 32,625	239,563.71	Under \$500.....	5	<i>Hundred-weight</i> 5,977	30,287.29
\$500 to \$999.99.....	238	25,231	182,214.04	\$500 to \$999.99.....	3	531	2,290.50
\$1,000 to \$1,499.99.....	235	42,436	291,428.22	\$1,000 to \$1,499.99.....	7	1,858	8,465.34
\$1,500 to \$1,999.99.....	253	63,034	444,134.50	\$1,500 to \$1,999.99.....	11	4,336	19,683.89
\$2,000 to \$2,499.99.....	196	64,273	440,734.54	\$2,000 to \$2,499.99.....	10	4,932	22,472.11
\$2,500 to \$2,999.99.....	177	68,667	479,618.79	\$2,500 to \$2,999.99.....	11	6,565	30,495.04
\$3,000 to \$3,999.99.....	275	137,991	951,737.11	\$3,000 to \$3,999.99.....	20	15,428	71,068.56
\$4,000 to \$4,999.99.....	224	143,394	998,003.83	\$4,000 to \$4,999.99.....	30	28,437	136,456.43
\$5,000 to \$9,999.99.....	345	340,184	2,382,485.25	\$5,000 to \$9,999.99.....	139	217,518	1,056,364.02
\$10,000 to \$24,999.99.....	93	176,773	1,227,497.88	\$10,000 to \$24,999.99.....	361	1,223,811	6,022,484.28
\$25,000 to \$49,999.99.....	3	12,792	92,021.80	\$25,000 to \$49,999.99.....	241	1,687,572	8,364,854.76
\$50,000 and over.....	2	22,317	166,861.96	\$50,000 and over.....	108	4,432,061	22,531,968.91
Total.....	2,195	1,129,717	7,896,301.13	Total.....	946	7,629,026	38,296,891.13
FLAXSEED				RYE			
Under \$500.....	5,694	<i>Bushels</i> 1,430,075	4,056,407.04	Under \$500.....	1,563	<i>Bushels</i> 1,054,417	1,045,094.39
\$500 to \$999.99.....	3,735	965,296	2,733,876.13	\$500 to \$999.99.....	1,130	848,110	833,813.67
\$1,000 to \$1,499.99.....	2,229	965,220	2,734,163.25	\$1,000 to \$1,499.99.....	541	674,066	660,004.58
\$1,500 to \$1,999.99.....	1,236	750,483	2,122,804.74	\$1,500 to \$1,999.99.....	308	553,035	538,682.67
\$2,000 to \$2,499.99.....	692	542,696	1,534,519.20	\$2,000 to \$2,499.99.....	197	439,710	436,535.82
\$2,500 to \$2,999.99.....	443	424,343	1,200,501.81	\$2,500 to \$2,999.99.....	118	319,597	320,888.79
\$3,000 to \$3,999.99.....	402	487,976	1,379,216.72	\$3,000 to \$3,999.99.....	109	380,404	379,627.11
\$4,000 to \$4,999.99.....	185	289,838	817,418.47	\$4,000 to \$4,999.99.....	61	263,295	265,070.99
\$5,000 to \$9,999.99.....	160	367,387	1,034,482.74	\$5,000 to \$9,999.99.....	77	491,530	510,120.28
\$10,000 to \$24,999.99.....	19	82,894	236,461.38	\$10,000 to \$24,999.99.....	18	232,644	250,041.77
\$25,000 and over.....				\$25,000 and over.....			
Total.....	14,795	6,306,208	17,849,851.48	Total.....	4,122	5,256,808	5,239,880.07
GRAIN SORGHUM				SOYBEANS			
Under \$500.....	3,293	<i>Hundred-weight</i> 2,199,066	4,038,494.02	Under \$500.....	1,186	<i>Hundred-weight</i> 671,214	1,471,601.05
\$500 to \$999.99.....	3,039	1,248,501	2,268,006.59	\$500 to \$999.99.....	2,247	804,254	1,762,109.09
\$1,000 to \$1,499.99.....	2,488	1,689,707	3,089,853.80	\$1,000 to \$1,499.99.....	2,732	1,553,394	3,416,661.52
\$1,500 to \$1,999.99.....	1,849	1,754,307	3,226,763.71	\$1,500 to \$1,999.99.....	2,638	2,105,845	4,637,558.47
\$2,000 to \$2,499.99.....	1,415	1,713,206	3,174,184.36	\$2,000 to \$2,499.99.....	2,212	2,245,972	4,960,998.58
\$2,500 to \$2,999.99.....	1,811	1,742,300	3,233,306.87	\$2,500 to \$2,999.99.....	1,412	1,752,075	3,865,472.11
\$3,000 to \$3,999.99.....	1,604	3,069,211	5,749,609.06	\$3,000 to \$3,999.99.....	1,865	2,924,786	6,468,528.99
\$4,000 to \$4,999.99.....	1,247	2,968,690	5,572,478.44	\$4,000 to \$4,999.99.....	1,123	2,256,903	4,997,315.91
\$5,000 to \$9,999.99.....	2,749	10,167,469	19,148,923.81	\$5,000 to \$9,999.99.....	1,470	4,375,542	9,725,026.70
\$10,000 to \$24,999.99.....	1,734	13,622,103	25,784,429.87	\$10,000 to \$24,999.99.....	322	2,064,429	4,620,918.96
\$25,000 to \$49,999.99.....	283	4,727,058	9,104,973.70	\$25,000 to \$49,999.99.....	26	374,063	841,217.59
\$50,000 and over.....	42	1,413,765	2,772,576.06	\$50,000 and over.....	27	7,446,089	17,125,956.63
Total.....	20,984	46,315,383	87,163,600.29	Total.....	17,260	28,574,566	63,893,395.60

TABLE A.—Price-support loans made on 1964 crops, dollar size distribution (grains excluding corn)—Continued

	Number of loans	Quantity pledged	Amount loaned		Number of loans	Quantity pledged	Amount loaned
WHEAT				WHEAT—continued			
Under \$500.....	14,540	11,359,765	\$14,868,780.81	\$5,000 to \$9,999.99.....	8,598	45,854,142	\$58,375,063.76
\$500 to \$999.99.....	13,968	7,963,859	10,429,679.12	\$10,000 to \$24,999.99.....	3,076	35,068,758	43,953,736.19
\$1,000 to \$1,499.99.....	13,276	12,490,904	16,441,073.13	\$25,000 to \$49,999.99.....	350	9,233,159	11,565,608.81
\$1,500 to \$1,999.99.....	9,371	12,403,414	16,266,693.24	\$50,000 and over.....	45	2,571,697	3,253,788.88
\$2,000 to \$2,499.99.....	7,241	12,480,390	16,256,678.92				
\$2,500 to \$2,999.99.....	5,837	12,218,530	15,950,054.46				
\$3,000 to \$3,999.99.....	7,404	19,716,057	25,576,145.63				
\$4,000 to \$4,999.99.....	4,676	16,219,478	20,892,305.28	Total.....	88,382	197,580,153	253,829,628.23

Mr. BREWSTER. Mr. President, the table shows that seven barley producers received over \$50,000 each. Those seven producers received in price support loans more than the 1,753 small farmers, who received less than \$500 each. Only 50 out of a total of more than 6,500 barley producers received price support loans exceeding \$10,000.

With respect to grain sorghum, \$25.7 million was loaned in amounts ranging from \$10,000 to \$25,000 each. This represents the largest sum loaned to any category of grain sorghum producers.

It came as a considerable shock to me to learn that one-ninth of the loans made to rice producers—this is the total number of loans—accounted for nearly two-thirds of the total of \$38 million loaned in 1964.

Soybeans are another crop which requires close scrutiny. In 1964, 375 price

support loans were made to the tune of \$10,000 or more. These large loans amounted to an additional \$22.5 million. One lone producer, the Arkansas Grain Corp.—a business company, and not a small farmer—was loaned for soybeans, last year, \$16,300,000 under the price support program.

I have a second table which lists who got how much, from what, from Uncle Sam, and from the taxpayer.

Briefly, I should like to introduce the table as follows:

The attached lists include not only those producers who received individual loans of \$25,000 or more on one commodity, but it is possible that other producers received \$25,000 or more from CCC loans by obtaining several loans on the same or different commodities, each for less than \$25,000 a year.

It is also possible that the producers

named on the attached lists obtained additional amounts on the loans for less than \$25,000. The CCC carries out its loan operations on a decentralized basis at many locations throughout the country, and maintains all records on a commodity basis. Therefore, preparation of lists showing the total amounts received from CCC loans by producers who obtain more than one loan would not be administratively feasible.

I take exception to that statement from the Department of Agriculture, but I hold in my hand table B, the lists on the various programs showing the loans, all in excess of \$25,000 on many different commodities, and I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer

(NOTE.—The lists below include only those producers who received individual loans of \$25,000 or more on one commodity. It is possible that other producers received \$25,000 or more from CCC loans by obtaining several loans on the same or dif-

ferent commodities, each for less than \$25,000. It is also possible that the producers named on the attached lists obtained additional amounts on other loans, each for less than \$25,000. CCC carries out its loan operations on a decentralized basis at many

locations throughout the country and maintains all records on a commodity basis; therefore, preparation of lists showing the total amount received from CCC loans by a producer who obtained more than one loan would not be administratively feasible.)

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
BARLEY				GRAIN SORGHUM			
Arizona:	<i>Bushels</i>			Kansas:	<i>Hundred-weight</i>		
Youngker Farms Co., Buckeye.....	218,205	\$200,748.60	\$200,748.60	Glenn C. Gaskill, Moscow.....	16,718	\$29,256.01	
Gila River Ranches, Inc., Gila Bend.....	71,530	65,807.60	65,807.60	J. David Sullivan, Ulysses.....	15,886	26,052.87	\$26,052.87
Enterprise Ranch, Inc., and Arizona Land & Cattle Co., Buckeye.....	30,057	27,652.44	27,652.44	J. R. Kapp, Moscow.....	14,473	25,327.22	
California:				Nebraska:			
Westlake Farms, Stratford.....	971,333	937,336.20	937,336.20	F. Lucile Hammond and Tad D. Hammond, Nebraska City.....	31,683	58,296.72	
Five Points Ranch, Inc., Five Points.....	296,374	284,519.04	284,519.04	Guy L. Barr, York.....	22,176	39,473.28	
E. L. Wallace, Woodland.....	58,258	56,801.62	56,801.62	A. L. Rosener & Sons, Daykin.....	20,868	37,979.76	
J. H. Austin, Fresno.....	26,257	25,731.86	25,731.86	Dale Lovegrove, Geneva.....	20,966	37,948.46	
Idaho:				Wayne Lyon, Merna.....	22,261	37,621.09	
Robert W. Hubbard, Soda Springs.....	59,750	50,280.41	50,280.41	Kreutz Bros., Inc., Giltner.....	18,850	33,176.00	
W. S. Shufeldt & Sons, Soda Springs.....	56,741	47,946.31	47,946.31	Frank Higgins, Schuyler.....	18,954	32,411.56	
Gaylen Christensen, Tremonton, Utah.....	36,180	30,753.00	9,238.39	Sheridan Bros., Sutton.....	17,735	31,745.65	
Minnesota: Keith Driscoll and Raymond Driscoll, East Grand Forks.....	31,590	25,272.00	16,128.00	Robert D. Lovegrove, Fairmont.....	17,136	31,022.16	6.00
Oregon: Tulana Farms, Klamath Falls.....	182,292	157,682.29	157,682.29	Forrest Binder, Tahle Rock.....	16,330	30,047.20	
Washington: S. T. S. Farms, Inc., Prescott.....	19,764	25,693.20	25,693.20	Lamonte Sahling, Kenesaw.....	17,136	29,816.64	29,816.64
				John E. Halloran, Hastings.....	16,378	29,152.84	
				John Kroger, Jr., Rosalie.....	15,271	27,335.09	
				Shurigar Bros., Inc., and Shurigar Farms, Inc., Keuesaw.....	14,816	26,372.48	
				Marion Johnson, Loomis.....	16,127	26,341.36	26,341.36
				Fred Schwindt, Jr., Clay Center.....	14,144	25,317.76	
				New Mexico:			
				Delbert Holloway, Clovis.....	25,892	49,052.07	
				Jewel Castor, Clovis.....	22,152	42,753.17	
				Texas:			
				Tyline N. Perry, Kress.....	67,422	135,814.15	
				Charles Heck, Jr., Nazareth.....	53,730	107,104.75	
				J. Meredith Tatton, Refugio.....	46,111	96,832.90	
				Lloyd M. Bentsen, Mission.....	41,625	90,040.91	
				J. C. Mills, Abernathy.....	37,568	82,929.81	
				Taft McGee, Hereford.....	44,853	78,044.31	
				Carl Easterwood, Dimmitt.....	43,663	75,973.44	75,973.44
				T. A. and K. G. McKamey, Taft.....	35,456	75,813.17	
				Warner Reid, Tulia.....	41,375	72,669.11	
Arizona:							
Jack Robison & Sons, Willcox.....	49,903	98,308.91					
Kinard & Greer, Willcox.....	33,702	78,820.18					
Floyd H. Rohrs, Willcox.....	25,561	62,075.56	1,634.41				
Gilmore & Riggs, Willcox.....	12,436	30,468.43	1,057.07				

TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
GRAIN SORGHUM—continued				GRAIN SORGHUM—continued			
Texas—Continued				Texas—Continued			
Miller Farms Co., Tulla	38,858	\$67,612.55		Higgins & London, Hereford	20,712	\$36,039.23	
John A. Raymond Smith, Hereford	30,770	65,034.05		Jack R. C. Vincent, Amarillo	19,000	35,881.24	
Martin & Marion, Hereford	33,120	63,965.65		Adkins & Son, Amarillo	18,660	35,828.04	
G. L. Willis, Dimmitt	31,378	63,294.95		Jim Sam Howze, Robstown	17,024	35,792.99	
Simmonds & Perry, Robstown	29,493	62,230.86		H. L. Wilson, Refugio	17,171	35,724.07	\$30,360.68
W. J. Giles, Dimmitt	29,956	60,991.90		E. D. Chitwood, Jr., Muleshoe	17,968	35,641.10	13,958.77
Don Williams, Farwell	34,853	60,644.92		Marble Bros., South Plains	17,985	35,583.99	
Stiles Farm Foundation, Thrall	26,602	60,531.34		Gordon Taylor, Sunray	16,906	35,512.08	
Miller Farms, Fort Worth	29,589	60,480.56		Lyons Bros., Hereford	18,348	35,499.83	
Corliss H. Currie, Happy	28,262	58,552.82		Charles Norfleet, Hale Center	18,231	35,186.60	
S. A. McCathern, Hereford	33,504	58,297.13	\$28,910.10	T. L. Abernathy, Jr., Tulia	16,808	35,004.56	
Nelson D. Durst, Eleanor Chance Couch, and Patience Chance Thomas, trustees under the wills of George G. Chance, deceased, and Georgia Chance, deceased, Bryan	28,839	58,254.78		Don Motheral, Kress	20,117	35,004.45	
O. A. and C. E. Webb, and Charles Saigling, Abernathy	33,451	58,205.43		Clayton Bros., Springlake	20,115	35,000.10	
J. L. Massey, Robstown	27,556	58,142.67		John Range, Farwell	17,991	34,903.31	
Gerald McCathern, Hereford	32,340	58,094.90		T. C. Garner, White Deer	17,000	34,849.99	
Autry & Baldridge, partnership, Dimmitt	28,690	55,945.89		Bob Anthony, Dimmitt	15,818	34,483.46	
Ware Farms Co., Dimmitt	30,435	55,375.37		R. D. and Billy McClellan, Sunray	19,791	34,436.69	34,436.69
John H. Goodwin, Sunray	31,740	55,227.25		Robert E. Hooper, Plainview	17,739	34,414.82	
J. C. Mills, Abernathy	25,056	54,883.26		Oscar Mayfield & Sons, Taft	16,291	34,373.50	
Elmo Stevens, O'Brien	31,394	54,625.71		Harvey and W. A. Spurlock, Sunray	19,717	34,308.34	
John Trimmier, Jr., Hale Center	31,249	54,373.97		Chester Clark, Hereford	19,627	34,151.75	
J. D. Kirkpatrick, Bovina	30,580	54,232.34		Jack Smith, Lazbuddie	16,924	34,101.83	
L. G. Mahagan, Kress	28,920	52,620.89		H. H. Parker, Hart	17,984	34,050.00	
David Nelson, Hart	30,075	52,330.50		D. C. Dilley, Borger	19,517	33,960.42	
Mrs. Anna Blake Head, Ind. executrix, estate of Rand Morgan, deceased, Clarkwood	23,731	51,733.19		Calvan Robertson, Plainview	18,051	33,950.63	
Hosea Foster, Canyon	26,128	51,730.76		Akin & Tunnel, Plainview	19,489	33,910.16	
Aubrey Harper, Robstown	24,380	51,440.93		Morgan Sturges, Tulia	19,459	33,858.20	
George E. Bennett, Hart	24,396	50,662.54		Mildred Lowman, Bishop	16,019	33,799.20	
Tom Miller, Dimmitt	25,767	50,335.03		G. A. Parr, Alice	19,299	33,580.66	
Floyd Webb and Smith Webb Bur-russ, Mathis	22,254	49,848.82		Wallace Corse, Sunray	15,388	33,544.93	
Frank Wise, Dimmitt	22,717	49,522.86		W. G. Sanderson, Dimmitt	19,250	33,495.00	
Jack Miller, Dimmitt	25,739	49,402.44		Billy John Thorn, Friona	19,250	33,495.00	
Amko Farming, Inc., Corpus Christi	22,458	48,958.75		Bill Brown, Lazbuddie	19,211	33,426.33	
C. B. Brittain, Sinton	23,027	48,586.33		Gordon H. Branham, Plainview	19,000	33,060.00	
Aubrey Harper, Jr., Robstown	22,808	48,125.24		Dalton Caffey, Friona	18,977	33,020.71	9,952.80
Mrs. Ollic Knight Jackson, Corpus Christie	27,633	48,081.54		C. B. Womble and R. R. Strain, Hereford	15,135	32,993.64	
Monroe Bros., Sunray	22,296	48,013.36		Rayphard Smithson, Dimmitt	17,814	32,870.62	
Tommy Stanton, Dimmitt	26,121	47,721.82		L. D. Ballard and Howard Hurt, Plainview	15,000	32,549.69	
L. T. Wood, South Plains	24,308	47,457.23		Buford Carter, Vega	18,661	32,469.44	
R. J. Cluck, Dimmitt	23,449	47,133.19		Garner Bros., Bovina	14,870	32,417.48	
Raymond Blodgett, White Deer	22,302	47,012.02		J. T. Holcomb and W. E. Uselton, Springlake	18,563	32,300.31	
F. J. Mears, Jr., Dimmitt	26,646	46,364.03		S. A. Fangman, Hereford	16,868	32,196.97	
Roy Montague, Silverton	25,239	45,934.17		Jack Middleton, Tulia	18,471	32,140.33	
Harvey Brock, Hereford	23,109	45,647.74		Jack Robertson, Plainview	16,649	32,046.54	
Marble Bros. and Paul Kropp, South Plains	21,115	45,400.78		R. R. Rule, Friona	18,404	32,022.41	
Brorinan Bros., Hereford	23,454	45,265.63		L. M. Britten, Groom	15,239	32,020.67	
Wade E. Clark, Kress	20,430	44,458.29		O. D. Jackson, Vega	15,247	31,891.73	
W. W. Walton, Corpus Christi	23,966	44,216.53		C. Ralph Blodgett, Spearman	18,295	31,833.30	
L. D. Griffin, Silverton	22,532	43,487.14		W. M. Sherley, Lazbuddie	18,124	31,536.11	
Allan Webb, Dimmitt	20,461	43,173.35		Wallace Cannon, Plainview	14,652	31,500.94	
C. H. Mayo, Taft	20,373	42,927.01		Leroy Robison, Sunray	17,649	30,709.78	
J. M. Dellinger, Jr., Alice	19,756	42,865.52		W. E. Burnett and Neal Burnett, Plainview	14,281	31,285.72	
Bennett Bros., Pearsall	20,067	42,668.28		Dennis L. Allison, Happy	17,010	31,060.60	
B. L. Moore, Dimmitt	24,135	41,995.25		Andrew Price, Kress	15,339	30,991.80	
W. H. Gentry, Hereford	19,244	41,951.98		H. C. Davis, Hart	17,787	30,950.06	
Una C. Dowd, Chapman Ranch	23,998	41,756.45		Taylor and Fortenberry, Lockney	15,366	30,885.27	
J. H. Burkett, Sunray	22,151	41,564.82		H. W. Sisemore and J. W. Treadwell, Hale Center	17,980	30,709.78	
Travis Dyer, Bovina	19,172	41,356.11		Jimmy Cluck, Hart	14,988	30,603.10	
Glenn Merritt, Hart	21,227	40,967.41		Silvas Bros. and Alex Boyd, Port Lavaca	15,796	30,557.88	
Don Dimball, Wildorado	20,259	40,914.17		Robert Huseman, Nazareth	16,795	30,443.46	
Fred Dunn, Dimmitt	23,420	40,750.80		Edwin Adams, Plainview	15,702	30,406.07	
John Cole, Waka	18,718	40,640.21		Joe P. Hart, Hart	16,363	30,305.62	
Dan Heard, Dimmitt	18,956	40,636.93		Jim Bob Curry, Hale Center	13,955	30,224.64	12,768.00
Palo Alto Farms, Bishop	18,511	39,880.29		Herbert Friemel & Sons, Hereford	17,240	30,003.26	
Tide Products, Inc., Edinburg	18,818	39,767.89		Luther Browder, Sunray	17,226	29,997.72	
Merrill Dryden, Sunray	20,109	39,763.79		Jack George, Hart	17,208	29,973.46	
Dulaney Bros., Dimmitt	20,383	39,338.82		O. V. Wilson, Kress	14,158	29,941.75	
J. H. Kirby & Sons, Hale Center	22,393	38,964.64		B. R. Bennett, Hart	15,383	29,872.87	
H. N. Keisling, Sunray	21,443	39,919.27		J. M. Kendrick, Nazareth	14,526	29,843.20	
Roy M. Lamb, Amarillo	19,745	38,503.04		Dryden Farms, Robstown	14,114	29,788.90	
Harlan L. Barber, Hereford	22,118	38,485.32		Wright Bros., Robstown	17,057	29,781.18	5,727.18
Ralph W. Shelton, Friona	19,726	38,465.67		Don Sudderth, Bovina	15,287	29,678.48	
Epperson & Downing, Inc., Hereford	21,585	38,007.55		M. N. Smith, Tulia	15,543	29,657.56	
Lloyd Glenn, Tulia	17,388	37,905.84		Richard Lupton, Nazareth	16,943	29,615.04	
Ocker Bros., Corpus Christi	21,705	37,766.70		Gilbert Wenner, Friona	13,992	29,480.48	
John Renner, Friona	17,882	37,730.98		Alton Morris, Muleshoe	16,930	29,459.24	
Joseph F. Green Heirs, Taft	21,660	37,689.10		Victor Harman, Happy	13,932	29,457.67	29,457.67
Lester Cole, Friona	17,268	37,644.58		W. C. McDaniel, Sinton	15,125	29,396.67	
Berta Cunningham Estate, Chapman Ranch	19,463	37,563.58		Brooks & Brooks, Hart	16,862	29,342.49	
Meyer Bros., Wildorado	17,695	37,474.07		R. W. Barton, Kress	14,787	29,340.23	
James Fangman, Hereford	18,523	37,230.44		Melvin Jennings and O. Sheppard Thomas, Tulia	13,910	29,339.38	
V. H. Kellison, Lockney	18,648	37,109.52		Phillip Haberer, Earth	16,705	29,329.12	
Ivan Bloek, Hereford	16,976	37,007.03		L. A. Lance & Sons, Bovina	13,814	29,066.70	
J. C. Mills, Abernathy	16,958	36,968.43		T. G. and R. L. Jackson, Austwell	16,669	29,008.99	
Calvin Petty, Dimmitt	21,199	36,886.73		Fred Bruegel, Jr., Dimmitt	14,128	29,003.37	
Donald J. Meyer, Hereford	19,178	36,571.34		J. S. Hays, Tulia	16,596	28,902.65	
Bill Bourlon, Farwell	16,744	36,501.93		R. W. Shelton, Friona	13,622	28,877.57	
Houston Lust, Dimmitt	16,119	36,490.57		Walter E. Stone, Robstown	13,179	28,729.36	
Roy Strasburger, Temple	20,882	36,454.49		Ray Groce, Petersburg	14,844	28,648.15	
Clinton Glenn, Canyon	16,764	36,416.36		Robert W. Kinkaid, Plainview	16,413	28,557.92	
Jaekson & Hoepfner & Driscoll Foundation, Corpus Christi	17,383	36,330.47		Lee Renner, Friona	14,799	28,413.90	
Wilbur Wilson, Plainview	17,085	36,049.63		Max Rarick, Bushland	15,693	28,389.30	
Tom Priestly, Corpus Christi				Dick Gerics, Farwell	14,059	28,328.06	
Charles and Mabel Elliff, Agua Dulce				Miko Allen, Friona	13,417	28,309.12	
				Daniel P. Moore, Portland	16,255	28,283.79	
				Horne Bros., Plainview			

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
GRAIN SORGHUM—continued				OATS			
Texas—Continued	Hundred-weight				Bushels		
S. R. Hutto, Hart	13, 078	\$28, 232. 44		Georgia: C. T. Kersey, Sr., Elko	45, 900	\$34, 884. 00	\$34, 884. 00
G. O. King, Plainview	13, 960	28, 129. 90		Idaho: Robert Myers, Bonners Ferry	62, 100	39, 744. 00	
Walter Matfiza, Robstown	13, 525	28, 128. 78		Mississippi: Loyce Makamson, Sidon	69, 636	47, 842. 76	27, 655. 38
J. F. Whitsett, Tulia	14, 249	28, 096. 19		North Dakota: Ballantyne Bros., West			
P. P. Stubblefield, Kress	14, 408	28, 095. 43		Hope	57, 150	29, 718. 00	
Dehnisch Bros., Mathis	13, 304	28, 072. 33		Oregon:			
Earl Hillman, Kress	15, 346	28, 036. 13		Tulana Farms, Klamath Falls	953, 125	691, 015. 62	555, 078. 13
A. T. Frye and Steve Barousett, Dawn	16, 072	27, 964. 55		Murel A. Long, Merrill	61, 875	43, 312. 50	393. 75
Walterschied Bros., Hereford	16, 070	27, 962. 03		South Carolina:			
Eruest Sluder, Bushland	14, 525	27, 887. 54		Kirkland & Best, Ulmers	51, 030	37, 432. 80	18, 262. 80
M. A. Snyder, Jr., Farwell	14, 429	27, 848. 75		W. R. Mayes, Mayesville	44, 959	34, 168. 84	34, 168. 84
Milburn Haydon, Hart	16, 000	27, 840. 00		J. C. Oswald, Allendale	39, 478	29, 791. 95	29, 791. 95
Alban Farms, Hereford	15, 984	27, 812. 51		South Dakota:			
C. C. Ellis, Hereford	15, 984	27, 811. 81		Elkhorn, Martin	57, 600	33, 408. 00	
Iris Touchstone, Dimmitt	13, 938	27, 693. 47		J. E. Cheek Estate, Pierre	49, 435	28, 177. 95	28, 177. 95
Odell Jennings, Tulia	14, 137	27, 666. 64					
A. E. Lewellen, Plainview	15, 895	27, 657. 53		RICE			
Vernon Garrison, Silvertown	14, 199	27, 609. 18		Arkansas:			
R. K. Brooks, Tulia	15, 836	27, 554. 22		Arkansas Rice Growers Cooperative			
Paul Kropp and Mae Bryant, Lockney	14, 169	27, 538. 25		Association, Stuttgart	1, 975, 974	10, 192, 868. 95	10, 192, 868. 95
J. W. Setliff, Robstown	13, 037	27, 508. 54		Producers Rice Mill, Inc., Stuttgart	729, 000	3, 717, 900. 00	3, 717, 900. 00
J. M. Wright, Dimmitt	15, 806	27, 502. 44	\$19, 517. 58	McAlister Seed Service Co., Walnut Ridge	29, 676	146, 163. 14	146, 163. 14
J. F. Clark, Nazareth	14, 156	27, 406. 43		Alice Sidney Farms, Lake Village	26, 142	135, 440. 55	135, 440. 55
Melvin Barton, Hereford	14, 362	27, 363. 50		W. B. Bynum, Dermott	26, 928	129, 505. 56	129, 505. 56
C. R. Kay, Plainview	14, 103	27, 336. 35		Lee Wilson & Co., Wilson	23, 007	110, 560. 13	110, 560. 13
Howard Sharp, Tulia	12, 682	27, 266. 75		Charles J. Peacock, Jr., McCrory	16, 793	89, 832. 61	83, 810. 99
Deta Blodgett, Spearman	13, 011	27, 193. 20		James E. McDaniel, Jonesboro			
C. N. Cooke, Corpus Christi	12, 473	27, 190. 61		W. C. Bradley, Walnut Ridge	17, 817	86, 621. 09	86, 621. 09
W. H. Long, Friona	15, 625	27, 186. 92		Kehi Plantation, Marion	16, 042	81, 631. 71	
J. M. Young, Dimmitt	12, 877	27, 183. 76		F. K. Bradshaw & Son, Hamburg	14, 700	77, 929. 98	77, 929. 98
Jack W. White, Summerfield	14, 120	27, 110. 39		W. A. Baker, George Birmingham, and			
Bob Kay, Dimmitt	12, 428	27, 093. 92		Aubrey E. Birmingham, Grady	12, 422	68, 227. 86	
James D. Doan, Tulia	13, 016	27, 085. 58		W. H. Hanna, Montrose	12, 895	67, 377. 46	67, 377. 46
Walter Taack, Lockney	14, 318	27, 014. 02		Charles H. Smith and Charles Bullock, Boydell	12, 958	66, 557. 45	66, 557. 45
Harold Ray Caraway, Tulia	13, 472	26, 977. 40		James E. McDaniel, Jonesboro	11, 432	61, 564. 45	60, 759. 45
J. W. Taylor Estate, Lockney	15, 466	26, 909. 97		Tucker Blankenship, Corning	12, 592	60, 854. 50	60, 854. 50
A. L. Hollingsworth, Hereford	15, 464	26, 906. 66		R. D. Williams, Jr., Diaz	12, 633	57, 879. 95	57, 879. 95
O. W. Machen, Banguete	12, 740	26, 882. 25		David N. and James D. Ford, Sherrill	10, 570	57, 872. 64	57, 872. 64
Ray Copeland & Son, Olton	13, 903	26, 832. 42		Taggart & Taggart, Inc., Augusta	10, 470	56, 474. 64	56, 474. 64
Dennis Kotara, Panhandle	13, 237	26, 831. 87		Hildebrand Farms, Inc., Stuttgart			
Mrs. Mary A. Sanders, Corpus Christi	12, 307	26, 829. 39		Raymond Hildebrand, Moscow	11, 051	55, 288. 12	55, 288. 12
Mrs. Gertrude Luby, Corpus Christi		</					

TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
RICE—continued				RICE—continued			
<i>Bushels</i>				<i>Bushels</i>			
Arkansas—Continued				Texas:			
Ralph and Anna Wood, Cherry Valley	4,860	\$25,952.40	\$25,952.40	Anderson Farming Co., Lissie	45,419	\$217,422.39	\$171,935.02
Lamar and Willie L. Miles, Monticello	4,859	25,825.53	25,825.53	Choccolate Bayou Rice & Canal Co., Alvin	36,261	162,066.47	162,066.47
Robert Johnson and Joy Ledbetter, Jonesboro	4,657	25,816.02	25,816.02	J. A. Jenkins, B. M. Jenkins, and W. E. Jenkins, Jr., Hankamer	29,932	146,707.21	146,707.21
J. C. Emenhiser, Eudora	5,670	25,636.50	25,636.50	E. J. Stoesser, Dayton	25,837	135,318.09	135,318.09
E. W. Hahn, Hazen	4,737	25,554.01	25,554.01	Texas West Indies Co. Farm, El Campo	23,825	126,776.96	126,776.96
Raymond Hahn, Stuttgart	5,262	25,546.54	25,546.54	J. O. and G. F. Dennison, Liberty	24,105	118,435.45	118,435.45
Ethan Dodd, Minturn				T. F. Jenkins, Glen M. Kolemey, and Jeffrey Jenkins, Winnie	24,268	117,526.71	117,526.71
California:				Pfeffer & Son Farms, Houston	22,876	115,106.88	74,701.45
Thomas Mezger, Woodland	9,983	43,925.20	43,925.20	A. J. and J. R. Carter, Victoria	23,781	114,153.04	114,153.04
Louisiana:				J. H. Clipson, Sr., Eagle Lake	19,663	107,755.82	107,755.82
Mayo Romero, New Iberia	25,380	114,509.70	114,509.70	Harry Hafesnick and T. J. Bahb, Edna	21,808	107,317.20	107,317.20
Zaunbrecher Bros., Jones	16,799	80,654.19	45,933.54	Henderson Farms, El Campo	20,825	103,911.28	103,911.28
W. P. Tomlinson, Lake Providence	15,307	76,433.63	76,433.63	R. M. Middleton Estate and Ed. Roy, George, Shirley, and L. E. Turner & Son, Anahuac	18,583	95,573.58	95,573.58
Rheinoldt J. Leonards, Lake Charles	14,027	64,799.55	64,799.55	Floyd & Kenneth Henderson, El Campo	19,785	93,608.27	93,608.27
Open Al Ranch, Inc., Lake Charles	12,028	62,034.56	62,034.56	Martin Bros. & Son, Houston	19,591	92,253.42	92,253.42
Brady Oswalt, Lake Providence	10,934	56,934.30	56,934.30	Jess Mathews and Katherine Vance, Beaumont	18,694	90,315.03	90,315.03
James B. Lingo, Oak Grove	11,916	52,978.21	52,978.21	Eddie Blackman, Sr., and Hornheek Bros., DeKalh	18,023	85,871.06	85,871.06
Larry Guidry, Oberlin	10,170	50,737.14	50,737.14	Henry Huff, Edna	19,170	84,903.48	84,903.48
Byron L. Rye, Pioneer	8,298	38,813.33	38,813.33	Francis Koop, Edna	16,719	82,209.12	59,301.63
Arthur Loewer, Braneb	7,971	36,532.49	36,532.49	J. R. Reed, El Campo	16,979	80,982.04	56,619.23
Orin Andrepont, Kinder	7,944	35,459.38	35,459.38	J. R. Thomas, Eagle Lake	15,365	80,765.10	80,765.10
Ashton S. Pettitjean, Rayne	7,364	33,442.87	33,442.87	Marvin Wiede and John Koop, Edna	16,689	80,751.53	41,526.53
Eve Fontenot, Oberlin	6,412	31,781.17	31,781.17	E. P. Duke, Elmo Duke, Jr., and Anthony Duke, Rosharon	15,870	80,554.08	80,554.08
Weston Moneaux, Oberlin	6,531	29,648.32	29,648.32	N. & M. Farms, Linke Nolte, and Rupert Myzell, Anahuac	14,578	78,461.48	78,461.48
Clarence LaPoint, Reeves	5,393	26,826.62	26,826.62	R. L. Clipson, Eagle Lake	14,714	76,802.20	
Louis Fuselier, Mittie	4,859	26,813.58		Joe R. Anderson and T. L. Davidson, East Bernard	14,005	74,226.50	74,226.50
Earl K. Oswalt, Lake Providence	5,832	26,156.52	26,156.52	W. C. McBride and J. C. Emenhiser, Stowell	12,968	73,095.80	73,095.80
Elmo J. Bollick, Jones	4,952	25,150.93	25,150.93	Harold Koop, Edna	15,394	72,837.90	72,837.90
John R. Denison, Iowa	8,100	34,720.65	34,720.65	Cinco Ranch, Clodine	14,915	70,798.35	57,409.05
Sagrera Bros., Bonita				Blue Creek Rice Farms & Kountz & Couch, El Campo	13,394	68,576.00	68,576.00
Mississippi:				Blue Creek Rice Farms, hy Frank L. Ramsey, agent, El Campo	14,105	66,915.21	66,915.21
Albert Prevot, Dwight McCollum, Frank Orlick, and Thounissen, Hollandale	32,649	172,872.07	39,332.82	Euel Dugat & E. J. Dugat, Winnie	13,058	64,888.70	64,888.70
Nott Wheeler, Cleveland	25,054	130,965.82	130,965.82	E. P. Duke & Sons, Rosharon	12,575	63,057.58	63,057.58
J. A. Howarth, Jr., Cleveland	24,473	130,349.73	130,349.73	Curtis A. Seaherg & Seaherg Farms, Inc., Dayton	12,095	62,117.14	62,117.14
Allen Gray Estate, Benoit	24,600	122,516.13	122,516.13	Henderson Farms, El Campo	13,173	61,849.40	61,849.40
Laudig & Cole Farms, Boyle	23,057	122,298.32	122,298.32	Floyd & Kenneth Henderson & Clyde DeFoor, El Campo	13,003	61,447.79	61,447.79
Dominic P. Rizzo, Cleveland	22,030	112,191.51	112,191.51	Roger C. Brown, Dayton	12,633	60,817.17	60,817.17
J. and V. Aguzzi, Cleveland	19,504	108,575.57	108,575.57	Walter A. Vinnau & Sons, Sealy	11,808	60,122.40	60,122.40
Greer Bros. & Son, Hollandale	21,056	103,205.64	103,205.64	T. E. Reidland & Son, Crosby	12,575	60,106.63	60,106.63
Mills Bros., Benoit	18,855	102,856.62	17,471.05	A. G. & M. T. Simons, Jr., Edna	12,167	59,972.14	47,991.26
J. C. O'Neal, Jr., Cleveland	18,726	96,112.86	96,112.86	Robert Rasmussen & D. W. Beck, Louise	12,442	59,536.86	59,536.86
W. P. Skelton, Rosedale	15,636	83,012.98		Harry and Everett Anderson, East Bernard	11,569	58,847.28	23,519.82
Richard Bros., Doddsville	16,121	76,467.32	76,467.32	Ed H. Helwig, Fulshear	12,090	58,206.39	45,509.78
Edward A. Lyons, Cleveland	15,530	73,920.94	73,920.94	Cinco Ranch, Clodine	11,993	57,732.22	57,732.22
Maryland Planting Co., Clarksdale	12,423	67,005.50	67,005.50	John Clipson, Eagle Lake	10,755	57,580.05	17,723.85
Hall & Hawkins, Merigold	12,311	65,444.87	17,151.95	Marsalia Bros., Eagle Lake			
W. J. Chudy, Cleveland	11,576	64,308.04		P. D. Gertson, Sr., Lissie	11,897	56,990.15	56,990.15
Barbour & Parker, Cleveland	12,376	63,290.09	63,290.09	John Pearson and T. J. Bahb, Edna	11,750	56,323.26	56,323.26
Wilton Richard, Greenville	12,812	60,492.08	60,429.08	J. H. Taylor, Hamshire	13,181	55,051.68	55,051.68
Dan Seligman, Shaw	11,235	60,130.52	21,196.02	Frank R. Duke, Liberty	10,598	54,960.11	10,937.08
Raymond Murrell, Avon	10,910	59,284.88	59,284.88	Joe R. Anderson, East Bernard			
Kenneth Frey, Hollandale	10,044	54,257.16	54,257.16	Ike, Morris and Woodrow Prejean, Winnie	11,201	54,893.67	54,893.67
A. R. Mann, Jr., Skene	9,247	48,824.16	48,824.16	Jack Stoesser, Dayton	11,781	54,623.76	54,623.76
David E. Greer, Hollandale	9,362	47,818.16	47,818.16	L. D. Ware, Fulshear	11,585	53,589.73	46,061.38
Harden Farms, Cleveland	9,169	47,788.46	1,719.62	B. D. Fussell, Eagle Lake	9,774	52,779.60	
Cone & Richard, Greenville	10,419	47,456.28	47,456.28	Blue Ribbon Mills, Inc., Houston	10,682	52,550.02	52,550.02
Patterson Bros., Merigold	8,465	46,652.47		Johnson & Johnson, West Columbia	11,237	51,813.78	51,813.78
Isabell S. Welshan & W. A. Welshan, Jr., Rosedale	9,241	46,339.29	46,339.29	Marsalia Bros., C. C. Brasher & T. L. Davidson, Eagle Lake	10,370	51,331.50	51,331.50
Heins & Heins, Shelly	8,495	45,582.30	45,582.30	L. G. Raun & Sandy Creek Ranch, El Campo	10,578	50,034.65	50,034.65
McGarrh & McGarrh, Merigold	8,481	45,461.91		Mitchell Bros., Beaumont	10,645	49,433.25	49,433.25
Ewing & Son, Inc., Robinsonville	8,856	43,690.59	42,903.09	Jarrell E. Brown, Edna	9,757	48,942.88	48,942.88
Verl Fullen, Shaw	7,754	42,702.66	9,934.80	K. Saibara & Son, Webster	10,260	48,619.63	48,619.63
Biffing Farms, Hollandale	7,933	42,179.64	42,179.64	Jack C. McBride, J. F. Guidry & W. S. Edwards, Winnie	9,868	48,435.66	48,435.66
George F. Stock, Hollandale	7,766	41,553.18	2,395.50	Billy Halfen, Collegeport	9,495	47,911.32	47,911.32
L. E. Grant, Isola	8,434	41,486.09	41,486.09	Lowell G. Raun & Stockton Estate, El Campo	9,153	47,318.68	47,318.68
J. L. Wilson, Jr., Rosedale	8,617	39,772.43	39,772.43	H. E. Moor & J. T. White Estate, Anahuac	10,295	46,863.70	46,863.70
L. F. Foreman, Clarksdale	7,293	39,127.69	12,698.98	Adolph S. Hankamer, Hankamer	9,774	46,812.50	46,812.50
Robert E. Smith, Cleveland	7,135	38,660.18	38,660.18	Jack B. Willis, Eagle Lake	9,040	46,498.29	46,498.29
Glenn E. McCoy, Clarksdale	7,329	38,417.17		Paul McGown, Winnie	9,470	46,071.14	46,071.14
Joseph H. Thounissen, Hollandale	7,458	38,177.10	38,177.10	Clark Farms, S. J. Clark, Sr., and Gerald M. Clark, Edna	9,249	45,818.94	45,818.94
H. D. and T. A. Sharp, Isola	7,123	37,503.75		George Way and J. T. White Estate, Stowell	9,053	45,749.48	45,749.48
E. D. Strain, Jr., Morgan City	6,989	36,802.72	36,802.72	Frank A. Higgins, Eagle Lake	9,285	45,699.45	17,665.45
Homewood Farms, Inc., Greenville	7,269	36,566.46	33,078.96				
W. B. Tackett, Belzoni	7,119	35,858.70	35,858.70				
Gerald and Henry Frey, Hollandale	6,582	35,819.48	35,819.48				
A. and N. Fioranelli, Cleveland	6,753	35,538.97					
F. P. Unkel, Shaw	6,822	34,502.04	1,940.33				
Charles Berry, Memphis, Tenn.	6,057	33,439.95					
Harris & Wilson, Inc., Hollandale	5,953	32,830.16	32,830.16				
L. A. Peoples, Merigold	6,526	32,644.33					
S. R. Phebus, Banks	6,480	31,112.10	31,112.10				
Eckward N. McKnight, Cleveland	6,099	30,638.18					
Wade McCollum, Hollandale	5,600	27,908.50	27,908.50				
F. H. Nance, Cleveland	4,932	26,879.40	26,879.40				
H. B. Mullins, Merigold	5,273	26,692.26					
Joe B. Dakin, Skene	4,924	26,638.84	22,814.92				
L. B. Wilkinson & Purvis Richardson, Shaw	5,182	26,635.48	26,635.48				
Sunrise Dairy, Cleveland	4,891	26,365.59	12,365.53				
Josephine Plantation & Charles Lawrence, Merigold	4,990	25,919.40	25,919.40				
J. C. Willis, Jr., Hollandale	4,762	25,655.25					
M. D. Dossett, Beulah	4,957	25,558.14	25,558.14				
M. B. Litton, Shaw	4,786	25,411.61					
Turner Arant, Blaine	4,653	25,172.73					
L. B. Pate & Sons, Cleveland	4,693	25,093.69					

TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
RICE—continued				RICE—continued			
Bushels				Bushels			
Texas—Continued				Texas—Continued			
Maurice Willis and T. L. Davidson, Eagle Lake	9,320	\$45,667.56	\$45,667.56	Alvieu E. Johnson, Louise	6,744	\$32,129.52	\$32,129.52
Ferdinand J. Leonards and John Osear Devillier, Winnie	9,099	45,657.41	45,657.41	Billy Ray Smith, Ganado	6,854	32,048.84	32,048.84
R. M. Middleton Estate and I. Jett Hankamer, Hankamer	8,635	45,579.56	45,579.56	J. C. Lewis, E. L. McDonald, and G. R. McKelvy, Bay City	6,570	31,829.76	
E. B. Kirkham and H. B. Haynes, Anahuac	8,770	45,166.64	45,166.64	Joe F. and Raymond Terry and George Musselman, Victoria	6,774	31,758.84	31,758.84
Emmett Herbert, Stowell	9,371	45,014.49	45,014.49	Wilfred LeBlanc, Winnie	6,091	31,423.29	31,423.29
Noel Clark, Edna	10,934	44,799.35	44,799.35	J. B. Miller, Jr., Beaumont	6,575	31,186.31	28,632.92
J. B. Wyatt, Clodis H. Cox, and Seaberg Farms, Inc., Dayton	10,129	44,457.90	40,809.75	J. K. and R. G. Allen, El Campo	6,275	31,141.93	31,141.93
Joe F. Terry, Victoria	9,182	43,971.67	43,971.67	Pete Eaton and B. D. Anderson, Rock Island	6,563	31,107.38	
Wilfred LeBlanc, Doris LeBlanc, and S. D. Fontenot, Winnie	9,730	43,365.33	43,365.33	Richard Hahn, Ganado	6,797	30,518.53	30,518.53
N. S. Bean, Raymond	9,225	42,385.95	42,385.95	C. D. Fenner, Paul Slatter, O. B. Fenner, A. J. Carter, and Floyd Slatter, Edna	5,574	30,376.66	
Naomi L. Kole, Winnie	8,118	42,166.32	42,166.32	A. J. Hungerford, Midfield	5,915	30,315.81	28,145.78
J. S. and W. W. Winzer, Winnie	8,392	42,156.63	42,156.63	Adolph Jr., and Calvin E. Ebner, Orange	5,830	30,097.67	30,097.67
Donald Henderson, El Campo	8,579	42,139.84	42,139.84	Pat H. Flowers and Seaberg Farms, Inc., Dayton	5,637	30,092.30	30,092.30
Alfred J. Ash, Dayton	9,094	41,857.30	41,857.30	Elroy J. Ortega, Alta Loma	6,399	29,971.23	29,971.23
Howard Watson, Angleton	7,690	41,310.46	41,310.46	B. G. and F. M. Elkins, Devers	5,847	29,629.34	29,629.34
C. A. Kiker, Beaumont	7,573	41,059.56	27,404.04	Alfred J. Ash and Sophie Graves Estate, Dayton	6,606	29,580.72	29,580.72
C. W. Sisk, George, William D., and H. E. Dishman, Beaumont	8,159	40,401.44	40,401.44	Warren Craigen, Beaumont	6,353	29,544.33	13,256.77
Seaberg Farms, Inc., Dayton	8,129	40,252.34	40,252.34	B. F. Metzger, Katy	6,053	29,517.05	20,474.75
A. W. Peveto, Flurry Joe Peveto, and Litcher & Moore Lumber Co., Orange	8,492	40,122.02	40,122.02	Ethel M. Campbell, Welsh, La.	6,274	29,331.46	29,331.46
Carlton W. Trant and W. H. Keenan, Liberty	8,490	39,994.56	39,994.56	F. J. Merta, Louise	6,710	29,322.70	29,322.70
William H. Whetstein Farms, Alvin	8,383	39,477.30	39,477.30	Schiurring Bros., Garwood	6,143	28,958.30	28,958.30
Daniel J. Hankamer and R. M. Middleton Estate, Wallisville	7,574	38,930.36	38,930.36	J. T. Hare, Crosby	6,289	28,866.51	28,866.51
Louie L. W. Lunday, Alvin	7,554	38,831.78	38,831.78	Keith Flournoy, Liberty	6,557	28,315.37	28,315.37
Arthur Lemke, Jack Daigle, Loranzo Daigle, and W. E. Bogan, China	6,866	38,728.35	38,728.35	Eugene Bourque, Rosharon	5,759	28,275.21	28,275.21
Bobby Shellhammer and M. L. Shellhammer, Hamshire	7,897	38,685.26	28,685.26	George V. Miller, China	6,152	28,106.58	28,106.58
Albert, Jewell, and Albert Dutcher, Jr., Wells Farm, and Frank C. Gordon, Lissie	8,022	38,522.50	38,522.50	N. T. Stansbury, Beaumont	6,068	28,094.84	28,094.84
Mrs. P. H. Sherer and Phil Baker, Anahuac	8,051	38,504.00	38,504.00	C. S. Brown, Devers	5,639	28,079.06	13,460.82
E. A. Turner and W. M. McBride and Son, Winnie	7,808	38,486.43	38,486.43	Jack Duke, Rosharon	6,049	28,056.59	28,056.59
Ivan Hebert and E. L. Chaney, Beaumont	7,485	38,398.05	38,398.05	Duward Harper, Alvin	5,970	27,843.06	27,843.06
James Weaver, Hankamer	7,811	38,125.00	38,125.00	O. C. Devillier, Jr., Winnie	6,000	27,779.12	27,779.12
C. W. Smith, Louise Sample Germer and W. F. Germer, Ganado	7,947	37,800.35	37,800.35	Curtis S. Penick, Anahuac	5,398	27,771.75	25,211.01
Lester J. Cranek, Garwood	7,826	37,773.25	37,773.25	R. B. Christ, Sr., Hamshire	5,237	27,608.80	27,608.80
F. W. Fontenot, Broussard and Hebert, Anahuac	7,626	37,469.94	37,469.94	J. C. Wall, Beaumont	5,708	27,398.40	27,398.40
J. W. and John Isaacs, Alvin	8,308	37,381.67	37,381.67	Raymond Randel, Liberty	5,475	27,375.00	27,375.00
J. H. Sandlin, Anahuac	6,994	37,340.55	37,340.55	C. T. Wiese, Eagle Lake	5,590	27,245.70	22,048.95
Schiurring Bros., Garwood	7,793	37,331.65	37,331.65	Louie Molnar, El Campo	6,282	27,236.16	27,236.16
W. W. McBride, Winnie	7,131	37,133.10	37,133.10	A. E. Elliott, Bay City	5,606	27,020.92	27,020.92
L. L. Fontenot, Winnie	7,413	37,079.20	37,079.20	B. E. Wilber and D. L. Heckaman, Hamshire	5,079	26,545.85	26,545.85
Jack C. and Eloise McBride, Winnie	7,043	36,812.75	36,812.75	Frank Smalstrla, Martha Losack, and Wm. Lee Fredericksen, East Bernard	5,671	26,479.07	20,762.46
E. J. and Euell Dugat and E. C. Devillier, Winnie	7,352	36,647.02	36,647.02	Lynn and Donald Herbert, Waller	5,586	26,421.78	26,421.78
Bert Harbour and Mrs. Lucille Harbour, Hankamer	7,835	36,416.87	36,416.87	Johnnie Garrett, Garrett Bros., and Walter L. Roome, Louise	5,714	26,421.49	26,421.49
J. T. Herin, Edna	8,712	36,329.46	36,329.46	Rudolph Skalicky, Ganado	5,598	26,311.41	26,311.41
Louis Watson, Angleton	7,193	35,836.82	35,836.82	W. C. Jenkins, Hankamer	5,385	26,132.42	26,132.42
N. S. and Jesse Wittman, Hamshire	6,928	35,709.26	35,679.63	Lester R. Wisegerber and Seaberg Farms, Inc., Dayton	5,701	25,882.54	25,882.54
Jay and Dexter Anderson, Lissie	6,936	35,457.46	33,287.43	Wanda S. and Wayne Bunton, Edna	5,217	25,877.81	25,877.81
B. D. Hart and Frank Galloway, Devers	7,581	35,428.55	35,428.55	J. Harland Bell, Rock Island	4,925	25,823.41	4,771.20
William Zboril, Garwood	7,232	34,203.88	34,203.88	Buren J. Kallina, Garwood	5,260	25,601.90	25,601.90
M. A. Ellis & Son and Mitebell D. Ellis, Collegeport	6,008	34,020.84	25,767.38	George W. Stansbury, Raywood	4,864	25,536.00	25,536.00
H. A. Norris & Son, Bay City				Harvey E. Johnson, Port Lavaca	5,888	25,495.86	25,495.86
Guy Myrick and Otto Truksa, Alvin	7,040	34,013.44	34,013.44	R. L. Poskey and Roy Dawson, Anahuac	4,871	25,475.33	25,475.33
Lowell, George, and Norris Raun, El Campo	6,420	33,962.59	33,962.59	Johnnie Garrett, Guy Stovall, Jr., and S. C. Cappell, Louise	5,265	25,444.90	21,466.90
Denver Poland and Doornbos Bros., Winnie	7,495	33,803.55	33,803.55	James L. Adkins, Lissie	4,729	25,442.02	25,442.02
Ivo Phend, Sr., Russell Phend, and Marie Weir et al., Hamshire	6,734	33,772.94	33,772.94	W. H. Huseman and Mrs. Annie Carmichael Estate, Louise	5,420	25,394.49	25,394.49
J. W. Gober, Nome	6,659	33,496.98	33,496.98	R. B. Christ, Sr., R. B. Christ, Jr., Ed Lohmann, and Elvan Bourque, Hamshire	5,480	25,373.28	25,373.28
W. J. Winzer, Winnie	6,407	33,472.36	33,472.36	W. H. Oetken, Anahuac	5,003	25,140.50	17,581.24
P. W. Douglas, Sour Lake	6,939	33,374.81	33,374.81	J. W. Murrell, Winnie	4,710	25,072.90	25,072.90
P. D. Kinser and R. M. Middleton Estate, Anahuac	6,802	33,126.72	33,126.72	M. I. Janes and Rennie Fontenot, Beaumont	5,310	25,010.10	25,010.10
Charles and Quintin Shult, and Frank L. Ramsey, El Campo	6,398	32,895.26	32,895.26	SOYBEANS			
Mrs. Maggie Wisegerber, Lester Ray Wisegerber, and Seaberg Farms, Inc., Dayton	6,672	32,834.52	32,834.52	Arkansas:			
Chester Hicks and Frank S. Bulher, Edna	7,211	32,789.01	32,789.01	Arkansas Grain Corp., Stuttgart	7,103,230	16,353,580.93	10,454,477.76
M. D. Shillings, Port Lavaca	7,508	32,738.40	32,738.40	McAlister Seed Service Co., Walnut Ridge	42,120	94,888.80	32,316.30
Jesse Copeland and M. L. Shellhammer, Hamshire	6,186	32,723.94	32,723.94	Hugh E. Richardson, H. B. Richardson and Riebland Plantation, Inc., Hughes	34,344	77,960.88	77,960.88
James R. and Henry J. Hlavinka and Boettcher & Wasieck, East Bernard	5,955	32,690.75		Ralph Wimpy, Harrisburg	15,585	35,997.26	35,997.66
E. E. and H. L. Adams, Alvin	6,981	32,690.50	32,690.50	J. W. Prescott, Hughes	15,390	34,935.30	34,935.30
Norris Raun, El Campo	6,371	32,681.43	32,681.43	Pirani Bros., Marion	15,000	34,050.00	34,050.00
Ben McCormick, Alvin	6,876	32,549.99	32,549.99	James E. McDaniel, Jonesboro	13,500	30,645.00	30,645.00
Jay and Dexter Anderson, Lissie	6,672	32,282.53	24,710.65	David N. Ford, Sherrill			
W. W. and J. S. Winzer and Edward C. Devillier, Winnie	6,611	32,133.46	32,133.46	James D. Ford, Pine Bluff	13,500	30,510.00	30,510.00
				J. B. Davis, Ogden	12,375	27,225.00	21,780.00
				W. B. Bynum, Dermott	11,713	26,998.47	26,998.47
				Phinn Reynolds & Son, Harrisburg	11,700	26,559.00	26,559.00
				Illinois:			
				A. E. Deal, Morrisonville	11,070	25,571.70	25,571.70
				Indiana:			
				Donald Kolb, Evansville	13,500	30,375.00	30,375.00
				Donald E. Stewart, Robert Revell, and Harold Revell, Lebanon	11,115	25,110.00	25,110.00

TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
SOYBEANS—continued				WHEAT—continued			
Iowa:	<i>Bushels</i>			Montana—Continued	<i>Bushels</i>		
Herbert P. Turin, Odcholt	18,784	\$40,484.04	\$40,484.04	J. G. Robertson, Inc., Great Falls	49,905	\$54,396.45	\$54,396.45
Kenneth Johnson, Callender	12,690	28,171.80		Juedeman Grain Co., Geraldine	48,285	52,630.65	
Louisiana:				Warren Swenson, Cut Bank	46,660	50,859.40	6,714.40
W. P. Tomlinson, Lake Providence	15,840	35,640.00	35,640.00	Otis Waters, Richey	37,170	47,949.30	1,161.00
Orville A. Coody, Lake Providence	11,681	26,581.36	12,406.36	Pryor Land Co., Billings	43,625	47,551.25	47,551.25
Mississippi:				Floyd Warren, Inc., Hardin	44,100	45,423.00	45,423.00
Joe Priddy & Sons, Rolling Fork	32,168	72,802.88	72,802.88	Oscar A. Kalgaard, Big Sandy	40,526	43,746.68	43,746.68
Greer Bros. & Son, Hollandale	29,250	66,397.50	66,397.50	Westernmark Bros., Levon	38,610	42,084.90	42,084.90
J. R. Flautt & Sons, Swan Lake	27,180	61,426.80	61,426.80	Francis Maurer, Dutton	37,800	41,202.00	
Evanna Plantation, Inc., Cary	23,130	52,273.80	52,273.80	Bill McCarter, Galata	34,570	36,591.30	36,591.30
F. B. Swearingen, Philipp	18,289	40,510.66		Roy Killenbeck, Scooby	32,040	36,525.60	
W. P. Skelton, Rosedale	16,392	37,209.84	37,209.84	Birkeland & Son, Inc., Fort Benton	32,850	35,806.50	
Dominic P. Rizzo, Cleveland	15,961	36,231.47	36,231.47	Gaylen Vernon, Ray Stoner, and Rich-			
Annapege, Inc., Minter City	13,265	29,382.41		ard McCarty, Outlook	28,440	35,661.60	
L. L. Walker, Minter City	13,050	28,904.22	28,904.22	Lazy K. T. Ranch, Billings	32,193	35,090.37	35,090.37
Ray Roberson Farms, Inc., Philipp	13,009	28,815.44	28,815.44	Clair Schillinger and Schillinger Farms,			
Missouri:				Inc., Wolf Point	29,430	35,021.70	1,392.30
A. C. Riley, New Madrid	22,500	51,075.00		Kenneth Schillinger, Vida	26,091	34,566.57	
W. V. Riley, New Madrid	22,500	51,075.00		Adolph Fix, Ekalaka	25,524	34,148.88	1,206.00
The Albert Palnton Co., Inc., Painton	17,280	39,052.80	39,052.80	Royce Applegate, Square Butte	30,240	32,961.60	
Wallace Farms, Gideon	17,100	38,304.00	38,304.00	Sikorski & Sons, Inc., Willard	24,641	31,749.21	5,945.04
North Carolina:				John H. Leuthold, Molt	28,800	31,392.00	
A. D. Swindell, Pantego	41,850	93,325.50	63,220.50	D. K. Hereford Ranch, Ballantine	27,810	30,312.90	
McNair Investment Co., Laurinberg	19,814	44,185.22	44,185.22	F. E. Davison & Sons, Highwood	27,812	30,181.23	2,713.23
South Carolina:				John Keil & Sons, Ledger	27,000	29,430.00	
W. R. Mayes, Mayesville	41,043	91,525.89		Kenneth G. Axvig, Kremlin	22,500	28,632.60	
J. A. Harvin, Sumter	26,774	59,623.65	6,021.00	A. C. Kammerzell, Chester	25,920	28,252.80	28,252.80
J. T. Duncan, Martin	11,430	25,488.90	25,488.90	Donald Norman and Arnold Dees,			
Wisconsin: Charles H. Kuiper, Unlon				Kremlin	24,660	28,225.80	
Grove	15,030	34,268.40	34,268.40	Allan and Leo Schillinger, Vida	21,240	28,170.00	
WHEAT				Roland and Burton Wright, Moore	25,200	27,468.00	27,468.00
Arkansas: Lake Plautation, Hughes	19,244	27,807.09		Leo M. Kraft, Havre	22,320	27,342.00	
California:				Ralph Lee, Buffalo	24,930	27,173.70	27,173.70
E. L. Wallace, Woodland	59,345	83,858.11		Conover Ranch Co., Broadview	24,500	26,705.00	
Jackson & Reinert, Paso Robles	50,806	69,096.16	69,096.16	Ivan Dahlman, Forsyth	23,220	26,470.80	26,470.80
Colorado:				Herbert G. Bitz and Selma McClintock,			
Sprague Bros., Holyoke	31,915	34,302.11	34,302.11	Box Elder	21,150	26,464.50	
Harold Kuckartz, Arriba	27,000	31,850.00	15,525.00	Ole Jensen, Chester	24,102	26,271.18	
Kalevic Farms, Inc., Aurora	27,000	31,050.00		Swank & Son, Poplar	21,960	25,912.80	
Ralph and Jack Bowman, Wray	24,300	29,889.00		Elmer and Mary P. Dostal, Geraldine	23,400	25,506.00	
Idaho:				Frank Kukla, Blue Creek	23,130	25,211.70	
Wagner Bros., Lewiston	81,892	101,546.08	101,546.08	Nebraska:			
Ira McIntosh & Sons, Lewiston	63,102	78,246.48	78,246.48	Grace Land & Cattle Co., Lewellen	52,200	64,728.00	
Meacham Land & Cattle Co., Lapwai	59,997	73,738.23	18,411.00	Raymond, Ronald, Pamela, Michael,			
Heglar Ranch, Inc., Burley	46,882	51,335.65	51,335.65	Leo, Morris, and Ilse Jensen, Lodge-			
Drechsel Bros., Worley	41,196	49,187.57	19,298.57	pole	39,600	48,312.00	
Herndon Farms, Inc., Culesac	34,162	41,408.25	31,248.00	Knipp Land Co., Big Springs	33,300	41,958.00	
Gaffney & Howe, Plummer	35,615	41,197.22		Ruth Hunt, Hastings	31,178	40,227.67	10,067.40
Wittman Farms, Inc., Lapwai	34,839	40,111.90		A. L. Roscner & Sons, Daykin	26,809	37,179.88	
Sam Alm & Sons, Inc., Grangeville	31,497	38,111.37		Bailey Partnership, Big Springs	29,700	36,828.00	
W. W. Riggers & Sons, Craigmont	33,828	37,979.34	37,979.34	Glen F. Burns, Chappell	28,342	34,317.52	10,918.72
Stanton Becker, Genesee	31,587	36,049.07	36,049.07	Svoboda & Hannah, Ogallala	26,100	32,886.00	
Harold Heatou & Son, Tekoa, Wash.	24,266	35,598.47		Eugene Schefchek, Alliance	25,038	32,048.64	32,048.64
Pfaff Bros., Inc., Garfield, Wash.	27,900	34,596.00	34,596.00	Leo Jensen, Oshkosh	23,400	29,250.00	
Arthur P. Meier, Peck	30,084	34,192.19	28,699.68	Robert R. Elliott, Solvang, Calif.	22,410	28,012.50	
Matsuura Bros., Blackfoot	29,700	33,264.00	33,264.00	Ed and Beulah Jelinek, Alliance	20,002	26,807.64	
Herb Millhorn, Worley	27,610	31,496.63	31,496.63	Nevada:			
Alvin Barker & Sons, Soda Springs	27,000	30,510.00	30,510.00	Rio King Land & Investment Co., San			
Shayne Linderman, Newdale	27,200	29,376.00		Francisco, Calif.	20,327	25,205.48	25,205.48
George and Otto Brammer, Lewiston	23,220	28,792.80	28,792.80	New Mexico:			
Leland Woodbury, Burley	27,000	28,755.40	28,755.40	Archie Baker, Clovis	24,337	31,227.94	31,227.94
John Campbell, Idaho Falls	22,214	26,529.21	26,529.21	W. L. Lockmiller, Clovis	25,360	31,065.58	
J. J. Driscoll & Son, Troy	22,604	25,881.69	25,881.69	Virgie Harrison, Texico	22,018	28,954.11	220.19
Hilding Frick, Plummer	22,248	25,814.76	25,814.76	Albert and Monte Matlock, Clovis	20,510	26,765.55	26,765.55
Anderson Bros. Troy	22,145	25,305.11	21,396.35	North Dakota:			
McLeod Bros., Nezperce	22,377	25,174.82	25,174.82	Arvel Glinz, Eldridge	38,904	57,073.29	2,260.59
Iowa:				Ballantyne Bros., Westhope	36,000	50,760.00	
Payne Valley Farms, Inc., Hamburg	21,032	26,057.06	26,057.06	Benjamin Schaible, Mott	34,650	49,999.50	
Kansas:				The Witteman Co., Mohall	36,900	46,125.00	
Earl, Elsie S., and Frank Weisenberger,				L. J. Johnson, Plaza	34,200	42,408.00	
Scott City	45,608	62,482.96		Polrics Bros., Sykeston	28,512	40,487.04	
Albert Frahm et al., Colby	38,844	49,331.88		Roscoe W. Kelly, Niagara	27,900	39,078.00	
B. A. Hutton, Brewster	37,260	47,320.20		August C. Kirschmann, Mott	25,200	35,932.50	
Robert W. Thierolf, Beloit	34,574	45,211.48	45,211.48	John D. Kirschmann, Bismarck	28,440	35,550.00	4,725.00
Neil Fuller & Sons, Beloit	31,673	44,885.63		Henry Grain & Stock Farm, Westhope	27,720	35,481.60	
S. Everett Dennis, Scottsbluff, Nebr.	31,495	43,153.57		T. A. Dilse, Scrantou	26,370	35,406.00	
Harold N. Hobart, Sr., Harold N.				Norman Glinz, Bottineau	25,200	35,280.00	
Hobart, Jr., and Gano H. Tschudy,				Alvin Kenner, Leeds	23,525	34,197.08	
Hutchinson	28,244	40,510.93		Edwin Netzer, Regent	25,000	34,125.00	
C. Wilber White, Goodland	27,702	36,008.19	1,931.67	Dan Netzer, Bismarck	24,300	33,777.00	
Herbert Bott, Palmer	24,984	34,129.44		W. J. Thoreson, York	24,930	33,655.50	
R. T. McCreight, Ness City	23,220	33,156.00		Ernest P. Jensen, Williston	25,429	33,496.25	
Adrian Schweitzer, Osborne	22,626	32,019.58		Stair Bros., Newburg	27,000	33,210.00	1,451.40
Vestring Bros., Burns	22,807	31,124.21	6,172.20	Helen, Wayne, Cecil, and Dennis			
W. T. Rooney, Jr., Garden City	23,580	30,720.60		Zahnaw, Roseglenn	25,650	32,832.00	32,832.00
John Kriss Farms, Colby	23,850	30,289.50		Alfred Johnson, Plaza	26,100	32,364.00	
Benton Jones, Glasco	21,173	29,819.66	6,010.29	Jack Follman, York	23,808	31,564.49	
Ferguson Bros., Kensington	20,250	29,767.50		Reginald and Kenneth Henry, West-			
E. A. Baalman & Sons, Menlo	20,754	26,504.82	3,682.80	hope	24,300	30,375.00	
Hattendorf Bros., Scott City	21,884	26,466.62	19,795.87	August and Ronald Wagner, Englevale	20,367	29,403.00	2,268.00
John D. DeForest, Peabody	20,608	25,739.63		Earl Schwartz Co., Kenmare	23,400	29,250.00	
Richard L. and Jack Spiegel, Formoso	18,900	25,515.00		Walter E. Johnson, Courtenay	18,990	27,830.70	
C. H. Moore Trust Estate, Dodge City	20,453	25,390.49		Roger Redel, Fressenden	18,211	25,859.62	
Minnesota:				Leo and Anthony Muggli, Vincent			
Keith Driscoll, East Grand Forks	30,780	46,146.60	16,310.25	Muggli, Jr., and Vincent Muggli, Sr.,			
John Bogestad, Karlstad	22,500	31,050.00		Carson	17,280	25,423.20	
Vernon Hagen, East Grand Forks	18,879	26,767.36		Rose Weinhandl, Shields			
Montana:				Carlton Larson, Sykeston	18,203	25,309.46	
Campbell Farming Corp., Hardin	200,212	206,218.36	73,233.00	Harold Hofsstrand, Leeds	18,251	25,198.74	1,192.00
Nash Bros., Redstone	49,320	57,704.40		Raymond Forster, Conway	16,420	25,048.20	
Onstad Grain Co., Carter	51,480	56,113.20					
Kraft & Martin, Havre	44,460	55,859.40					

TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
WHEAT—continued				WHEAT—continued			
<i>Bushels</i>				<i>Bushels</i>			
Ohio:				South Dakota—Continued			
Ward Walton & Associates, Inc., Upper Sandusky	25,576	\$33,375.96	\$33,375.96	H. G. Ehlers Sons, Presho	20,890	\$27,943.80	\$6,878.10
Orieiton Farms, Inc., London	21,039	26,825.27	26,825.27	Jerry Geeringer, Castle Rock	21,330	26,875.80	26,828.10
Oklahoma:				Leonel M. Jensen, Wall	21,150	26,818.20	21,319.20
John A. Francis, Kingfisher	20,250	27,315.00		Robert Bartels, Fort Pierre	19,440	25,660.80	25,660.80
Joe Steichen, Ponca City	22,000	27,170.00		Jetter Bros., Milesville	19,880	25,542.00	
James W. Sharrock, Ponca City	20,483	26,934.71		Wm. G. and Lyle Seboulte, Presho	19,000	25,080.00	
Oregon:				Texas:			
McCormmach Bros., Pendleton	69,570	83,622.36	83,622.36	Hill Farms, Hart	38,760	68,379.05	
Glenn Thorne, Pendleton	54,265	65,308.85	65,308.85	Taft McGee, Hereford	43,528	55,933.48	55,933.48
John Proudfoot and Leo Gorgor, Ione	47,025	61,602.75	61,602.75	Homer Hill, Hart	32,520	55,303.86	
Raymond & Son, Inc., Helix	50,138	60,903.45		Buddy Hill, Hart	35,342	55,231.81	
Ralph S. Crum, Ione	43,647	57,177.57		Gerald L. Lasley, Dalhart	40,582	53,419.06	53,291.86
R & T Ranches, Athena	42,301	51,270.80	51,270.80	Frank Robinson, Panhandle	35,204	51,573.38	
King Ranches, Pendleton	38,365	49,874.50		Berkley Stringer, Dumas	38,561	50,520.24	50,520.24
Robert Kilkenny, Heppner	39,344	49,476.72	40,044.72	D. G. Cluck, Gruver	36,797	48,755.59	48,755.59
Les King, Inc., Helix	38,846	46,809.44	46,809.44	Sam R. Cluck, Gruver	36,297	47,730.99	47,730.99
F. L. Watkins, Wasco	34,816	45,791.02	42,713.66	Harold H. Hogue, Dalhart	36,011	46,274.56	46,274.56
4 R Ranches, Wasco	38,840	45,254.20	45,254.20	A & O Farms, Dumas	34,496	46,028.39	46,028.39
Mud Springs Ranches, Pendleton				Mrs. M. W. McCloy & Sons, Morse	34,349	43,451.70	
Ranches, Cunningham Sheep Co., and Hoke Ranches, Pendleton	34,650	45,045.00	45,045.00	Monroe Bros., Sunray	31,825	40,895.13	
Adolph, Jr., or Georgia Shaffer, Condon	36,309	44,722.66	44,722.66	Gordon Taylor, Sunray	29,697	40,536.18	
Key Bros., Inc., Milton Freewater	33,705	43,816.50		Dale Schuman, Dumas	29,944	39,076.47	8,173.64
Richard W. Hampton, Pendleton	33,735	42,774.35	13,758.34	Dale Coleman, Dumas	28,661	37,633.20	22,386.42
V. R. Ranch, Helix	35,059	42,246.48	42,246.48	Rose C. or R. C. Porter, Spearman	30,000	36,450.00	36,450.00
Weber, Inc., and Vernita Adams, Athena	30,360	39,354.24	37,908.00	Merrill Dryden, Sunray	26,069	35,844.65	35,844.65
R. A. Brogionti, LaGrande	31,444	39,305.00	39,305.00	Lyons Bros., Hereford	23,242	35,225.77	14,572.87
Foster, Wernsing & Coffman, Athena	32,548	39,090.96	7,969.77	Glen Scribner, Sunray	25,860	35,040.07	
Charles Carlson, Ione	29,160	38,199.60		Weatherford Bros., Sunray	25,405	34,169.05	
M. Smith, Condon	26,608	36,950.64	36,950.64	Marshall Cator, Sunray	23,871	32,455.26	
H. H. McIntyre, Pendleton	30,348	36,633.42	36,633.42	Don Williams, Farwell	24,630	32,388.45	
Alvin Bunch, Heppner	29,577	36,372.70	36,372.20	A. R. Bort, Gruver	24,377	32,164.26	32,164.26
Holdman Ranches, Pendleton	30,078	36,352.84	36,352.84	Gene Cluck, Gruver	23,471	30,394.52	
Hill Ranches, Inc., Helix	30,000	36,150.00		Joe Schuman, Dumas	22,260	28,826.96	
Larry E. Kaseberg, Wasco	26,100	34,713.00	34,713.00	Everett Bros., Stratford	21,064	28,541.76	210.64
Marion T. Weatherford, Arlington	27,756	34,567.92		Fred W. Mercer, Silverton	19,068	26,849.14	26,849.14
W. D. Hardie & Sons, Condon	25,043	34,259.79	4,835.75	Velma W. McGraw Estate, Fort Worth	19,235	26,832.83	
Merton S. Wade, Lostine	28,088	33,520.74	9,180.52	John Cole, Waka	19,379	26,453.01	26,453.01
E. Earl or S. Bernice Pryor, Condon	27,148	33,517.83	33,517.83	Claude Higley, Stinnett	18,000	25,740.00	25,740.00
Storie Ranches, Pendleton	27,384	33,271.86	33,271.86	George Farms, Charlene and G. George, Perryton	18,000	25,638.38	
Coppinger & Son Ranches, Echo	24,750	32,175.00	32,175.00	J. H. Burkett, Sunray	20,268	25,621.70	
A. C. and R. C. Moll, Pendleton	26,211	31,444.60		Claude Johnson & Son, Dalhart	18,909	25,621.70	
H. T. Rea, Inc., Walla Walla, Wash.	24,075	31,298.79	31,298.79	John A. and Raymond Smith, Hereford	14,447	25,302.90	
F. N. Johns, Athena	23,827	31,213.37	31,213.37	Washington:			
McElligott Bros., Ione	24,260	30,806.42	30,806.42	Glen Miller & Sons, Amber	133,542	166,927.50	41,927.50
Johns Smith and Beamer, Athena	23,418	30,443.52	30,443.52	D. Everett Phillips, Lind	110,500	139,482.99	
C. O. Burnet or Althea Burnet, Moro	24,496	30,378.38		Leonard and Henry Franz, Lind	86,038	106,541.33	101,626.13
Tad O. McCoy, The Dalles	23,524	30,236.64	30,236.64	Kenneth Smith, Waitsburg	63,653	79,249.74	79,249.74
W. L. Hulse, Dufur	22,050	29,988.00		George D. Brown & Sons, Pomeroy	58,563	73,360.03	73,352.53
R. M. and Delta Johnson, Wasco	23,926	29,844.28	29,844.28	Staley & Boyd, Pullman	58,500	73,125.00	73,125.00
A. C. Warren, Ione	22,063	28,902.53		Robert V. Phillips, Lind	49,995	63,204.86	
Bill Wolfe, Wallowa	24,183	28,740.44	10,184.24	Lehn Bros., Farmington	45,180	56,475.00	
G. W. Temple, Pendleton	22,060	28,679.04	28,679.04	Curtis Cattle Co., Garfield	41,427	50,694.20	50,694.20
Albert L. McCormmach, Walla Walla, Wash.	23,444	28,303.49	28,303.49	Roy Peringer, Pullman	43,753	50,683.36	50,683.36
T. M. Campbell, Helix	23,484	27,486.05		W. M. Boyd & Sons, Moscow, Idaho	39,195	48,993.76	48,993.76
Sieg & Sieg, Baker	22,732	27,392.27	27,392.27	Osborne Belsby, Amber	39,150	48,549.00	48,549.00
David Horne, Pendleton	22,597	27,229.18		Baumann Farm, Washtucna	37,710	48,268.80	48,268.80
Glen Brogionti, Helix	21,841	27,192.41	16,741.76	DeZellen & Son, Bridgeport	37,548	47,871.96	1,517.45
Powell Goodin Farms, Moro	20,821	27,067.30	27,067.30	Richard E. DeSpain, Winona	41,081	47,773.02	47,773.02
R. & H. Farms and Archie Harris, Milton-Freewater	22,163	26,928.54	12,005.71	Urgel Bell, Lacrosse	41,578	47,708.87	47,708.87
Sandhollow Ranches, Helix	21,857	26,714.38	26,714.38	Robert J. and Lewis Patton, Waitsburg	36,073	46,534.17	46,534.17
C. N. Jones & Sons, Heppner	19,270	26,689.41	26,689.41	O. H. Woodward, Inc., Dayton	38,535	46,492.58	7,099.85
J. Smith, Inc., Condon	22,025	26,540.51	26,540.51	Donovan Farms, Prescott	34,747	45,171.10	45,171.10
Verne W. Dale, Helix	20,798	26,457.27	20,475.00	Ford Gumm & Sons, Tekoa	38,309	44,630.16	
Robert Rothrock, Adams	21,226	26,365.03		Thomas J. Byers & Sons, Pomeroy	34,756	44,558.61	19,580.68
Rosco E. Moore, Moro	20,984	26,349.95	26,349.95	J. R. Damon, Lind	35,693	44,071.22	23,140.00
Campbell Ranch, Inc., Echo	21,500	26,122.96	26,122.96	Pearl Gwinn, Pomeroy	31,626	43,275.89	2,674.62
Walker Whitacre Ranch, Athena	19,593	25,862.76	25,862.76	S. T. S. Farms, Inc., Prescott	33,273	43,254.90	6,048.90
Harvey Smith, Ione	18,900	25,704.00		Ferrell & Luvaas, Pomeroy	35,902	42,902.29	42,902.29
Earl Moeker, The Dalles	21,664	25,248.44		Joe McCown and Charles E. Neace Estate, Waitsburg	34,433	41,146.96	41,146.96
Stirrup Ranch, North Powder	21,664	25,248.43		J. L. Williams, Lind	32,040	41,011.20	39,168.00
G. L. Pratt, Visalia, Calif.	20,854	25,069.17	7,177.17	Fred and Cecil Rommel, Pomeroy	32,832	40,453.25	40,453.25
Harry Proudfoot, Echo				Godfrey Melke, Lind	33,747	40,267.60	40,267.60
South Dakota:				Higginbotham Bros., Hartline	33,163	39,629.45	39,629.45
William J. Stanley and William D. Asmussen, Agar	117,387	168,397.20	1,297.80	C. C. Wolf & Sons, Pomeroy	32,671	38,214.08	
J. E. Cheek Estate, Pierre	50,797	70,326.89		Laura C. Gilliland Estates, Lafayette, Ind.	32,211	38,170.21	18,206.13
Elkhorn Farm, Martin	42,570	54,242.10		Casey Farms, Inc., Eureka	31,297	37,970.98	
Alfred and Johanna Ehlers, Presho	36,000	52,560.09		Lester Camp, Lacrosse	32,793	37,876.03	37,876.03
Dennis L. Anderson, Rapid City	37,291	51,625.11	8,199.76	Nelson Bros., Waterville	28,530	36,518.00	
Leo J. Terca, Presho	31,500	46,076.40		Lasater Farms, Inc., Walla Walla	30,004	36,455.06	36,455.06
John Hippen, Martin	32,760	41,767.20		Dippel Bros., Garfield	29,070	36,337.60	
Raymond Jensen, Lodge Pole, Nebr.	25,110	37,776.60		Wayne Beale, Pomeroy	29,013	35,787.62	35,787.62
Louie E. Bartels, Gettysburg	28,800	37,440.00		John E. Hair, Walla Walla	27,276	35,458.80	35,458.80
Bartley Mills, Winner	24,840	35,272.80		Allen Struthers, Eureka	28,460	35,307.63	
Kenneth Kinkler, Blunt	23,580	33,069.60		Ralph Colley, Connell	27,000	35,100.00	4,680.00
Hugo Kinkler, Littlefield, Tex.	23,130	31,784.40	31,784.40	The Shofels Co., Govan	27,627	35,086.66	19,108.67
Krier Bros., Presho	24,030	31,719.60		John W. Smith, Lancaster	28,264	34,543.40	10,018.40
James S. Brown, Chamberlain	23,580	31,131.60	31,131.60	Marvin Carstens, Espanola	29,518	34,403.11	19,298.47
Arvid Ambur, Presho	21,600	29,331.00		Franklin D. Rockwell, Endicott	29,596	34,382.45	34,382.45
Bruno Wiczorek, Chamberlain	20,430	29,316.60		Jack Clodius, Waitsburg	28,408	34,343.43	34,343.43
G. K. Hutchison, Presho	21,852	29,063.16		Rockdale Farms, Edwall	28,997	34,338.89	
Robert E. Duncan, Pierre	21,600	28,728.00	1,915.20	Harp Bros., Farmington	29,437	34,122.45	21,227.66
Roy Norman, Hayes	21,600	28,512.00	19,483.20	Heglar Bros., St. John	28,837	33,594.84	33,594.84
Earl E. Kinder, Onida	22,950	28,458.00		Wilbur Morgan, Pomeroy	26,400	33,528.00	
Verdun Stanley, Presho	22,500	28,350.00	24,080.60	Calvin August, Farmington	26,640	33,300.00	33,300.00
Orville Schwarting, Gordon, Nebr.				Ed Faure, Jr., Ritzville	27,500	33,109.64	33,109.64
K. R. Rhiley, Creighton				Ellsworth Conover, Waitsburg	27,447	33,073.78	33,073.78
Myron D. and Mildred A. Johnson, Rapid City	21,780	27,952.20		Howard Jorgensen, Coulee City	25,695	32,889.60	32,889.60
				R. F. Young, Starbuck	27,486	32,845.89	32,845.89
				Earl M. Pierson, Colfax	26,100	32,624.98	
				Phillips Farms, Inc., and Merlin Phillips, Walla Walla	25,020	32,526.00	
				E. E. Watkins, Spokane	27,356	32,416.33	32,416.33

TABLE B.—1964 crop price-support loans made of \$25,000 or more and amount repaid, by producer—Continued

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
WHEAT—continued				WHEAT—continued			
Washington—Continued				Washington—Continued			
Bennett Land Co., Farmington.....	25,830	\$32,287.50	\$32,287.50	Herbert Sackmann, Odessa.....	23,702	\$28,087.18	\$28,087.18
Dick Edwards, Hartline.....	26,359	32,097.64	32,097.64	Robison Land & Livestock Co., Walla Walla.....	21,600	28,080.00	
Virgil Feezell, Mabton.....	23,985	31,900.05		Chester Powers & Son, Starbuck.....	23,202	27,726.64	27,726.64
Ferrell & Luvass, Pomeroy.....	27,095	31,836.12	31,836.12	C. L. Nelson & Sons, Thornton.....	23,496	27,372.75	27,372.75
Eugene Valaer, Walla Walla.....	24,300	31,590.00		Byron G. Dague, Walla Walla.....	21,052	27,367.60	27,367.60
Morris Ganguet, Waitsburg.....	25,829	31,254.73	31,254.73	David V. Adams, Coulee City.....	22,071	27,323.10	27,323.10
Yoshino Bros., Quincy.....	23,116	31,109.07	31,109.07	Roy M. Auvil, Farmington.....	23,601	27,259.05	
Nick Seivers, Jr., Lind.....	24,300	31,104.00	31,104.00	Earl T. Sherry, Prescott.....	22,513	27,127.89	14,451.77
Orval Painter, Waterville.....	24,120	30,873.60		C. C. King and J. C. Kinzer, Pullman.....	21,600	27,000.00	27,000.00
George H. Ellis, Reardan.....	25,912	30,657.22		Weishaar Farms, Marlin.....	21,175	26,892.25	
Lawrence Timm, Harrington.....	25,760	30,525.37		Ray L. Small, Jr., Lowden.....	22,238	26,757.66	
Kenny Foulkes, Lind.....	24,281	30,296.37	30,296.37	A. S. Miller & Son, Colfax.....	21,330	26,662.48	26,662.48
Dwelle Jones, Walla Walla.....	25,164	30,159.39		James F. Ferrel, Walla Walla.....	21,998	26,288.09	
Elmer Schoesler & Sons, Ritzville.....	25,354	30,159.34		Clarence Strohmaier, Lind.....	20,590	26,265.60	
Heitstuman Bros., Clarkston.....	25,413	30,028.50	16,171.20	Paul Webb, Jr., Walla Walla.....	21,833	26,212.74	26,212.74
Robert Heitstuman, Pomeroy.....				I. A. Zakarison Estate, Pullman.....	20,855	26,068.50	26,068.50
Cornwall Farms, Fairfield.....	24,347	30,018.39	11,604.39	Clyde Davis, Pullman.....	22,488	26,043.19	26,043.19
Matthew Lyons, Waitsburg.....	24,875	29,974.38		Lowell Baker, Pomeroy.....	22,312	26,033.78	26,033.78
Klieker Bros. & Sons, Walla Walla.....	23,006	29,907.80	29,907.80	Paul E. and Glenn D. Hofer, Prescott.....			
Blaeklaw Bros., Eureka.....	24,408	29,771.91		Paul S. Hofer, Waitsburg.....	20,025	26,032.50	
C. B. Stonecipher, Waitsburg.....	24,706	29,675.43		Waneita Heilman, Los Angeles, Calif.....			
J. I. Kupers, Harrington.....	24,995	29,618.72	29,618.72	Harris Bros., Dayton.....	21,690	25,823.19	25,823.19
Neihenke & Pavlik, Colfax.....	25,360	29,543.81	29,543.81	Edgar L. Smith, St. John.....	20,610	25,762.50	25,762.50
Erwin Bros., Prescott.....	24,384	29,306.83	29,306.83	Myklebust Bros., LaCrosse.....	22,271	25,709.73	25,709.73
Mary Hanger, Dayton.....	24,258	29,058.29	29,058.29	Fred Mader, Palouse.....	22,237	25,636.88	25,636.88
Felgenhauer Bros., Fairfield.....	23,400	29,016.00		Pioneer Stock & Grain Farm, Inc., Colfax.....	22,043	25,443.46	25,443.46
Hofer Bros., Waitsburg.....	23,998	28,917.10	28,917.10	Virgil Stevens, Wilson Creek.....	21,044	25,366.72	12,115.52
John Stephenson, Elda Stephenson, and Ella Stephenson Estate, Benger.....	22,500	28,800.00	28,800.00	Norman Hansen, Tekoa.....	21,990	25,365.38	23,123.78
Willard C. Hennings, Ritzville.....	22,500	28,800.00	28,800.00	R. C. Walker, Hartline.....	21,028	25,339.19	25,339.19
Dave Repp & Son, St. John.....	24,850	28,796.07	28,796.07	Raymond B. Williams, Almira.....	21,423	25,110.00	25,110.00
Walter A. Zellmer, Davenport.....	24,061	28,765.28		Scheele Bros. and Theodore F. Scheele, Fairfield.....	20,250	25,110.00	25,110.00
Carl Boyd, Pullman.....	22,950	28,687.50	28,687.50				
Galo O. Geller, Lind.....	22,410	28,684.80					
Frank J. or Frank Wolf, Pomeroy.....	20,866	28,199.21	4,875.52				

Mr. BREWSTER. Mr. President, by way of example, I name, under "soybeans," the Arkansas Grain Corp., Stuttgart, Ark. Quantity pledged in bushels, 7,103,230. Amount loaned, \$16,353,580.93. Amount repaid, \$10,454,477.76, or a net gain to this corporation of some \$6 million.

Let us review the 1964 figures for wheat loans. The figures show that 88,000 price support loans, totaling almost \$254 million, were made to wheat farmers.

Of this total number, approximately 3,500 loans were payments exceeding \$10,000.

When I carefully reviewed the facts for Maryland from information I could find, I found that one producer of any crop in the State of Maryland received more than \$10,000.

Of the 3,500 loans, 400 received loans exceeding \$25,000. But these totaled close to \$15 million.

The amount of the so-called support loans over \$10,000 to wheat farmers reached the sky-high figure last year of \$59 million. That is \$59 million that is not being spent for the benefit of the poor farmers, or even middle-income farmers. The money spent is actually serving to encourage the big farms or corporate farms to grow more wheat which is sold to the taxpayers at a profit. If these gigantic farmers are not able to sell these surplus crops, Uncle Sam—you and I and the people we represent—is ready to take it off their hands and store it at the taxpayers' expense.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BREWSTER. I yield myself an additional 10 minutes.

A recent report prepared by the Joint Economic Committee states that losses under the price support program have totaled \$13 billion over the life of the program, and they continue to go up.

In addition, the CCC has now nearly used up all of its \$14,500 million borrowing authority.

I charge that this is another way to raid the Treasury, to use a hackneyed phrase, through the back door.

During the 1964 fiscal year—last year—the CCC had a net loss of \$2,700 million.

I point these losses out in order to emphasize the extent of the Federal Government's involvement in agriculture. Over the last 30 years the United States has followed the protectionist approach to agriculture. The costly results of this approach are a testament to its inadequacies.

Our price-support programs have not only cost the taxpayers and consumers vast sums of money, but have forced a sizable part of our economy to be dependent on the Government for its mere existence.

I believe that now is the time to put on the brakes. My amendment is designed, in a small way, to accomplish that job. I urge my colleagues to join me in placing a \$10,000 annual limitation on the money that any single agricultural producer can receive in either price-support loans or direct payments.

In this way we can be sure that our agricultural programs are taxpayer and consumer oriented, as well as designed to help the family farmer. The family farmer, the genesis for the entire operation that we now find ourselves embarked upon, is not deriving the full benefit of the program. If Senators want to help him, I cannot see any reasonable argument that can be advanced for cutting off the large business enterprises, the corporate farmers, who produce acre after acre, bushel after bushel, and sell to the taxpayer at a profit.

I would advise the Senate that, as a prudent producer of any commodity or any product, I would not go into the

venture unless I knew I could make a profit. And for the big man, corporate or individual, I see no reason why the Government—the taxpayer—should support his profitmaking scheme.

I would be happy to accept—and several of my colleagues have indicated to me that they are in agreement—amendments to my amendment. I make this talk and propound this amendment because I believe the American people should take stock of what they are doing. The program is exceedingly costly. It is ineffective. It is not doing the job that it was designed to do—to protect the small farmer, his wife, and family in the homestead or on the family farm.

Mr. President, I yield to the Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, I have an amendment to offer to the Senator's amendment, and can speak on my own time. I can offer my amendment and speak on my own time, if the Senator is willing.

Mr. BREWSTER. Mr. President, I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The amendment is not in order until all time on the pending amendment is exhausted.

Mr. ROBERTSON. Mr. President, my amendment is an amendment to the Brewster amendment. My amendment is No. 445, and I would like the clerk to state it.

The PRESIDING OFFICER. That is not in order until all time has been utilized or yielded back on the amendment of the Senator from Maryland.

Mr. BREWSTER. Mr. President, I yield to the Senator from Virginia on my time.

The PRESIDING OFFICER. The amendment can be offered at this time only by unanimous consent. Is there objection? The Chair hears none and the

Senator from Virginia may call up his amendment at this time.

Mr. ROBERTSON. Mr. President, I am in thorough sympathy and accord with the proposal that the time has come to put on the brakes. I believe it is long past the time.

I stated briefly yesterday on the floor of the Senate, when I sent the amendment to this amendment to the desk, that in 1949 I voted for farm bills—which we will secure at the end of this year—to end all price supports, and that we should return farming to where it was prior to this program since World War II.

The House insisted on it, and in conference the Senate yielded, and we have had a support program ever since. As the senior Senator from Maryland pointed out, the program has cost \$13 billion; and what has it accomplished? The surpluses are worse than they were when we started.

The PRESIDING OFFICER. Since the Senator is discussing his amendment—does he want to offer his amendment at this time?

Mr. ROBERTSON. Could I obtain unanimous consent to do that?

The PRESIDING OFFICER. Yes. The Senator has already been granted unanimous consent.

Mr. ELLENDER. Mr. President, a point of order.

As I understand the situation, the first vote will be taken on the amendment to the amendment of the Senator from Maryland.

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. Will the Senator from Virginia ask for the yeas and nays on his amendment?

Mr. ROBERTSON. I would like to have my amendment stated. I wish to make a change in my amendment with respect to sugar.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 1, beginning with line 2, strike out all down through the period in line 5, and insert in lieu thereof the following: "after January 1, 1967, no corporation except a producer of sugar shall be eligible for price-support loans or payments under any program or programs administered by the Department of Agriculture, and no producer other than a corporation shall be eligible for price-support loans or payments under any such program or programs in any amount in excess of \$25,000 for any one year."

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the Robertson and Brewster amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and it is so ordered.

Is the request for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. HOLLAND. I appreciate the fact that the Senator exempted sugar from his amendment because it is covered by a different type of proposal.

I wonder if the Senator recalls that wool is likewise covered by a different proposal and would be included in the same classification as sugar. They are both deficit crops.

Mr. ROBERTSON. We can develop that, but wool goes generally to the small farmer, and my limitation on corporations is that we should not subsidize corporations. We could not do so under the \$25,000 provision of my amendment.

If there is anybody in Virginia who has that much wool I have not heard about it. I doubt if anyone in Florida has that much either.

Mr. BREWSTER. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. ROBERTSON. I yield.

Mr. BREWSTER. Is it my understanding that the Senator from Virginia offered an amendment to my amendment?

Mr. ROBERTSON. The Senator is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERTSON. It is time for the Senate to put on the brakes. In 1949 I favored not only putting on the brakes but going back to a system of private enterprise. Under such a system of private enterprise, when there was overproduction, we had always had low prices in the marketplace because they were regulated and the Government did not have to take charge.

This is another illustration of a favorite maxim of Thomas Jefferson, who said:

If we have to go to Washington for advice on when to sow and when to reap, we will soon lack bread.

We have looked to Washington to regulate production of farm crops, and it has not succeeded. It has cost \$13 billion, as the Senator from Maryland pointed out. He proposes that from now on no one shall get more than \$10,000 a year on all the crops he produces.

I could go along with that proposal, except that I know from past experience with respect to these limitations that it will not be adopted.

With the hope that something may be adopted, and in view of the fact there was a large vote at one time on a limitation of \$25,000, my amendment raises the limit.

The theory is that we must preserve farming as a manner of life.

Thomas Jefferson said he hoped the time would never come when less than 50 percent of our people would be engaged in agriculture, because, he said, farmers are the backbone of our representative democracy and their independence and their manner of living must be preserved if we are to preserve our democracy and independence.

Mr. ELLENDER. Now farmers represent 7½ percent.

Mr. ROBERTSON. The distinguished chairman of the committee says that the figure is down to 7½ percent.

We have some trends in Government that I do not think are in keeping with the views of the Founding Fathers. The situation is very disturbing.

Why should we subsidize corporations

that are engaged in farming? We subsidize farmers for two reasons: First, we wish to preserve a manner of life; and second, we wish to produce a sufficient amount of food and fiber to take care of our personal needs. Is there any question about our doing that?

Our cottongrowers are greatly disturbed over the fact that one-half of our fabrics are now made from materials other than cotton. We are disturbed, under the cotton bill, that if the price of cotton is too high, more and more shifts will be made to other fibers to replace cotton in clothing and various other items, such as automobile tires and materials in which cotton is used.

The Senator from Maryland pointed out the number of farmers who are receiving more than \$10,000 a year.

The average farm in Virginia is less than 100 acres. The average wheat allotment in Virginia is only 10 acres. The average barely allotment is 3¼ acres.

In Virginia \$10,000 would take care of 95 percent of the farmers under this program. But what do we find? We find 400 wheatfarmers getting \$15 million, according to the figures of the Senator from Maryland.

I do not see how anybody can stand on the floor of the Senate and say that we owe a duty to support prices above \$25,000. Agriculture is a manner of living. I do not see how anybody can stand on the floor of the Senate and say we owe a duty to insurance companies and others who bought farmland and used the various soybean, cotton, wheat, and other allotments to sell their product to the Government.

That is what the loan program means. A loan is made at a certain percentage of parity. But that is a sale to the Government. They never get it back.

As a result, we get a million bushels of wheat, thousands of bales of cotton, feed grains, and soybeans. We have everything. Unfortunately, we are now beginning to accumulate two other products that worked pretty well for a while: tobacco and peanuts. Why? We have such small acreages that Government regulators could find out what was being planted, and the allotments down from year to year. We kept production fairly in line with the visible market.

Our tobacco growers produced a heavier type tobacco, but it was a poor quality. They applied more and more fertilizer. Where they had been producing 1,000 pounds an acre, they increased the production to 1,500 pounds. I believe some of the production was as high as 2,000 pounds an acre.

Maryland is a fine tobacco-producing State. Maryland's tobacco has a fine flavor. Much of it goes into the manufacture of cigarettes. I have seen Maryland tobacco that grew as high as my shoulder. It has a heavier leaf.

Mr. BREWSTER. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. BREWSTER. We Marylanders are proud of our tobacco, but few tobacco farmers would be affected by the \$10,000 limitation. Tobacco is grown primarily in small amounts by our

tobacco farmers. Only one-quarter of the Maryland tobacco farmers have more than 10 acres. This means that three-quarters of our tobacco farmers earn less than \$12,000 from tobacco.

Mr. ROBERTSON. That is correct. Since we have voted down the \$10,000 limitation in previous years, it may be said that this proposal is socialistic. It is not socialistic at all. We merely have a bear by the tail and do not know how to cut loose. We want to cut down the expense to the taxpayers.

The Senator from Maryland says that if we want to preserve farming as a manner of life, we want to be sure that we have enough food and fiber. If we limit the amount to \$10,000, that will take care of about 90 percent of our farmers. Why should we proceed further to subsidize rich men and corporations?

I hope that my amendment will be adopted. I had offered an amendment in the nature of a substitute. But after preparing it so as to exempt all corporations, I found that sugar is in a separate category and operates under a different law.

We collect about \$70 million in money to finance the sugar program in lieu of the 2-cent tariff that could be imposed under the Smoot-Hawley tariff, which is still in effect, except where it is set aside temporarily. The amount fell to \$60 or \$65 million in sugar.

In Hawaii—and I have had the privilege of visiting that grand State—a large amount of sugar is produced, but it is primarily for great corporations. I visited the sugar fields of the great State of Louisiana. Some of them have been hard hit by a storm called Betsy, and many of them may never spring up again. But I am told that two large corporations in Louisiana produce 80 to 85 percent of the sugar. So I modified my amendment before it was read so as to exempt corporations that produce sugar; so sugar is not covered by the amendment.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. HARTKE. I compliment the Senator from Maryland [Mr. BREWSTER] and the Senator from Virginia [Mr. ROBERTSON]. Having followed the struggle in this regard, I think it is high time that we recognize some of the factors of life. The Government operates a high-cost agriculture program. I come from a great agricultural State. I favor keeping the farmer going. But we must be fiscally responsible, and it is important that this type of legislation be enacted. I want the Senator from Maryland and the Senator from Virginia to know that their amendments will have my support.

Mr. FONG. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield to the Senator from Hawaii.

Mr. FONG. I am happy that the Senator from Virginia has seen fit to exempt sugar from his amendment. As I read the amendment, I find that it will not do the job that I should like to have it do. I wonder whether the distinguished Senator from Virginia would accept a

modification. I understand that I would not be able to offer an amendment to his amendment, because that would be an amendment in the third degree. But perhaps the Senator will accept my proposal by unanimous consent.

Mr. ROBERTSON. Before the Senator from Hawaii makes his proposal, and since the Senator from Louisiana is interested in sugar, I hope the Senator from Louisiana will listen to the proposal, so that I may have the benefit of his advice, since he is chairman of the Committee on Agriculture and Forestry.

Mr. FONG. The Senator's amendment exempts producers of sugar. I should like to add the following words: "except a producer of sugar as defined in section 101(k) of the Sugar Act of 1948, as amended under title III of such Act."

Mr. ROBERTSON. That would be satisfactory. I accept that modification.

Mr. President, I ask unanimous consent that I may modify my amendment along the lines suggested by the Senator from Hawaii so as to refer to the Sugar Act. Then everyone will know who is covered by the amendment.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Virginia is so modified.

Mr. FONG. I thank the distinguished Senator from Virginia.

Mr. BREWSTER. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. BREWSTER. I thank the Senator from Virginia for his remarks. I should like to read one sentence from a summary of 30 years of operation of the Commodity Credit Corporation, published by the United States Department of Agriculture. The sentence reads:

Of the \$56.3 billion in price support extended by CCC since 1933, loans account for \$41.9 billion, or 74 percent. Of those loans, \$14.3 billion, or 34 percent, were repaid by the borrowers.

Therefore, out of every \$3 that the taxpayers have put up since 1933, they have got \$1 back.

Mr. ROBERTSON. That is why the Senator from Virginia said the program has not worked. It was said that the production would be well within reach of a visible market and that the loans would be temporary; that the market would absorb them. But that has not happened. As the Senator from Maryland has just said, the Government has got back only \$1 out of every \$3. The Government has gone in the red on this program by more than \$13 billion, and the Commodity Credit Corporation has about exhausted its loan money. It will be necessary to return to the Committee on Appropriations for funds, if we do not do something about putting on the brakes. We should stop providing more and more money to be paid out to more and more rich farmers and more and more corporations, to be followed by more and more surpluses. If that happens, we shall have to pass a law to give the surpluses away or sell them for soft currency, which is practically the same thing, because when we get the soft currency, we have something we cannot

use. That is only a little device to say that we are not giving the surpluses away, when actually we are.

Mr. LAUSCHE. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. It might be well at this point to mention what recently happened when Yugoslavia devalued its dinar. The dinar was selling at the rate of 750 for \$1 of American money. It was devalued by 60 percent. So the dinar became worth 1,250 for \$1.

In addition, prices in Yugoslavia were increased by 24 percent when Tito, by a stroke of the pen, devalued the dinar. When prices were raised, that took from us practically 84 percent of the value of the dinars, which we had acquired under the Public Law 480 program.

That subject has not been given any attention, but it is a vital one. If the issuers of dinars and other foreign currency to our country can devalue their currency, all the soft currency we have can be reduced to nothingness by a simple devaluation of the currency which we possess and by an increase in the price, which, of course, brings less for the currency that we expend.

Mr. ROBERTSON. Mr. President, my distinguished colleague the Senator from Ohio, has developed another phase of this matter, which shows the futility of saying, "The Government will get this cotton, wheat, or peanut oil, but we can sell it abroad."

We would sell it abroad for soft currency and then the currency would be devalued. The product would go abroad at far below what the Government had paid for it. Then, as has been pointed out in the case of Yugoslavia, they could cut the value of our money by simply devaluing their currencies.

The entire program is unsound. We should rely on private enterprise. That is the only system that has ever worked or that ever will work.

I know that this bill will be passed. It will not be passed by my vote, but it will be passed. I know that we are a long way from returning our farmers to a system of private enterprise, which the majority of us prefer. However, in the process of transition, why could we not make a small step in the right direction by reducing the enormous cost of this program?

I asked several farmers, leaders in the grain industry, and the president of the Farm Bureau Federation what this program would cost. They said that it would not make a great deal of difference under either the House bill or the Senate bill. One bill would involve a higher cost in one respect and the other would involve a higher cost in another respect. Under either bill, it is estimated that in 4 years' time it would cost \$16 to \$20 billion.

I received a telegram from Mr. Shuman this morning. He said that this bill is fundamentally unsound and should not be enacted into law, but that this is one way by which we can improve the measure.

I do not know whether it will be finally enacted into law. However, I am satisfied that something will be enacted into

law. We have always passed farm bills. This one will be passed.

Various provisions will be ironed out in conference. However, the fundamental procedure will be substantially the same, because, regardless of which provision prevails, or how the provisions are compromised—I do not know how much we can save—I believe that it would be encouraging to the taxpayers who must pay the bill if we were to say, "We will preserve the farm as a way of life, and we will let you have enough food and fiber, but we will cut down on those who receive more than \$25,000 a year from the Government, and we will cut down on all crops except that which is covered under the Sugar Act, which is a different thing entirely." I am told that it is not actually costing the Government money. It is costing the consumers money. We put an artificial price on sugar to protect the sugar producers against cheaper offshore sugar. We have done that for a long time. However, that is neither here nor there.

I was glad to hear the distinguished Senator from Hawaii [Mr. FONG] call attention to the fact that in his State most of the sugar is produced by corporations, and it would be unfair to them, because they could not adjust their program. Incidentally, the last time I was in Hawaii, a long time ago, I was told that sugar land sold for anywhere from \$500 to \$700 an acre. The land is not cheap.

Mr. FONG. Mr. President, some of that land costs from \$3,000 to \$4,000 an acre.

Mr. ROBERTSON. That is what I have heard since. The average corporations can buy such land, but not many of the small farmers could pay the price for sugar land.

Mr. FONG. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. FONG. Mr. President, my attention has been called to the fact that the exception which is incorporated in the amendment only deals with the first part of the amendment. It is very necessary, to be sure that sugar is exempted, that we incorporate another exemption in the sixth line of the amendment of the Senator, to read the same as I have presented it, so that corporations would be entitled to something more than \$25,000 a year.

In the first exemption, the Senator deals with the fact that corporations should not be included in any kind of payment. In the second provision, we talk about \$25,000 a year being the limit.

I ask the Senator if he will modify his amendment.

Mr. ROBERTSON. Mr. President, will the Senator be kind enough to state his proposal? When I proposed an exemption for sugar, I intended to make it a complete exemption for sugar. I did not believe that the limitation of \$25,000, which was for individual producers, would apply to corporations. Therefore, I did not believe that it was necessary to include a separate provision pertaining to \$25,000 a year limitation for corporations when the first provision covered only individual producers. I then ex-

empted corporations which produce sugar. When I do that, that would exempt them from everything under the first provision.

Mr. FONG. Because the amendment has two provisions, it is necessary for clarification, that we include the exemption again. After the words, "and no producer other than a corporation" insert the following: "except a producer of sugar, as defined in section 101(k) of the Sugar Act of 1948, as amended under title III of such Act."

Mr. ROBERTSON. Mr. President, is that the language that the Senator wishes to have incorporated?

Mr. FONG. The Senator is correct.

Mr. ROBERTSON. That is what I intended to do and what I wish to do for clarification.

Mr. President, I ask unanimous consent that my amendment be modified accordingly.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. FONG. Mr. President, it is the intent that sugar not be included under this amendment.

Mr. ROBERTSON. Mr. President, I hope now that everyone is satisfied.

The Senator has asked that my amendment be voted on. Before that vote, I should like to have the views of the author of the original amendment with respect to my proposed modification.

I call attention to how gradual the change is. We make no change with respect to what is already planted and to be harvested this year, or what will be planted next spring and harvested next fall. The cutoff date is January 1967. That would give a year and a half for everyone to know that, to the extent he is not farming for sale to the Government in an amount over \$25,000.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BREWSTER. Mr. President, I am deeply impressed by the brilliant remarks of the Senator. If the Senator from Virginia will permit me to do so, I should be very happy to accept his suggestion.

As I understand, the amendment would go to three points. First, it would raise the amount provided in my amendment from a \$10,000 cutoff to \$25,000. Second, it would bar the big corporate interests or any corporate interest, which is necessarily a business interest, from collecting from the taxpayer. Third, it would exempt the sugar industry, which seems to be running on a rather even keel.

Mr. ROBERTSON. Mr. President, in view of the fact that the author of the amendment is willing to accept my amendment, as modified, we can dispose of the matter on one vote.

I ask unanimous consent to rescind the order for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Does the Senator from Maryland so modify his amendment?

Mr. BREWSTER. Mr. President, it is my understanding that I have a right to so modify my amendment. I do so modify my amendment and accept the amendment of the distinguished Senator from Virginia.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and, without objection, the Brewster amendment is modified so as to include the Robertson amendment as modified.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ELLENDER. Will the vote be on the Brewster amendment, as modified?

The PRESIDING OFFICER. The Senator is correct.

Mr. FONG. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. FONG. Mr. President, I am happy that the distinguished Senator from Virginia has accepted my amendment to exempt sugar compliance payments from the provisions of his amendment.

The Brewster amendment and the Robertson amendment, without excepting sugar compliance payments from their provisions would destroy Hawaii's sugar industry.

They would deal a staggering blow to Hawaii's economy, for sugar is our leading farm crop.

In 1964, the approximate value to Hawaii's economy of raw sugar and molasses produced and Sugar Act compliance payments earned totaled \$163 million.

The Brewster amendment would drastically reduce the compliance payments to Hawaii's sugar producers. For all practical purposes, the \$10,000 limit and the \$25,000 limit under the Robertson amendment would amount to wiping out these essential compliance payments.

For those not familiar with compliance payments, let me briefly explain.

At present, there is a Federal excise tax of one-half cent per pound on raw sugar processed in the United States. In 1964, the U.S. Treasury collected \$10,837,210 on processing of cane sugar produced just by Hawaii sugar companies. The tax collected by the Federal Government on sugar produced each year by each company in Hawaii is more than the same company receives in compliance payments.

The purpose of the tax is to provide funds to pay U.S. sugar producers or processors for maintaining good wages and working conditions, promoting orderly development of the sugar industry and stabilizing the price of sugar for consumers.

Federal law permits conditional compliance payments to producers, or to processors who are also producers, when they first, comply with sugar production and marketing restrictions; second, pay at least the official minimum wages to workers; third, do not employ child labor; and fourth, in the case of processors, pay at least the official minimum prices for sugarbeets or sugarcane.

Compliance payments received by 25 of the 26 Hawaii sugar producers in 1964

totaled \$8,679,132. Figures are not available for one company.

Thus, in 1964 the U.S. Treasury collected on Hawaii sugar processed some \$2 million more than Hawaii sugar companies received in compliance payments.

In fact, since 1937, the Federal Government has collected more in processing taxes on Hawaii sugar than has been paid to Hawaii sugar producers. So it is clear compliance payments do not represent a net drain on the U.S. Treasury.

On the other hand, compliance payments are crucial to the continuance of the Hawaii sugar industry. In 1964, compliance payments to Hawaii companies ranged from \$51,000 to \$1,074,000, with the majority of companies receiving more than \$200,000.

While these payments are large, the cost to the U.S. Treasury per ton in Hawaii is substantially less than any other domestic producing area. Payments in 1964 to Hawaii producers per ton were \$8.96, whereas compliance payments to sugar producers in other areas of the United States ranged from \$12.93 a ton to \$16.20 a ton.

Even with these compliance payments, the return on invested capital in Hawaii's sugar industry is extremely nominal. In a substantial number of years, the majority of Hawaii sugar companies have wound up in the red despite receiving compliance payments.

Limiting compliance payments to \$10,000 or \$25,000 per producer, as the amendments respectively propose, would for all practical purposes hurt Hawaii's sugar producers as much as outright elimination of these payments.

Our sugar producers just could not survive such a blow. Last year, without these compliance payments, 17 of Hawaii's 25 sugar producers would have suffered net losses.

I would also like to point out that production of cane sugar in Hawaii is vastly different from production of other commodities, which can be grown by thousands of small farmers on small acreage.

Hawaii sugar can be efficiently produced only by corporate entities. They cannot operate on a fragmented basis. Thousands of acres are needed for efficient and profitable operations. Also, sugarcane requires 22 to 24 months before harvest; other crops only a single growing season.

This is why Hawaii's sugar yield of 1,110,000 tons annually is produced by only 26 companies in operations integrating production and processing. A \$10,000 limit on compliance payments for any one company is completely unrealistic for Hawaii.

The sugar industry in Hawaii provides year-round employment for some 12,500 workers. The payroll totals about \$65,500,000. Hawaii's sugar workers are the highest paid in the world.

These workers would face unemployment if Hawaii's sugar industry collapses, as it would under the Brewster amendment. Where would these workers find jobs?

Hawaii's sugar industry, although owned by only 26 companies, is owned by about 12,300 individual stockholders,

of whom almost two-thirds live in Hawaii.

Hawaii's sugar industry is a world leader in sugar technology and mechanization. It has served America well in war and in peace to help supply our Nation with sugar, so basic to human needs.

I am happy that the distinguished Senator from Virginia has accepted my amendment to exempt sugar compliance payments from the provisions of his amendment. I am also happy that the distinguished Senator from Maryland has accepted the amendment of the distinguished Senator from Virginia as amended.

I will now support the Brewster amendment as modified by the Robertson amendment as modified by my amendment.

Mr. ROBERTSON. Mr. President, I am ready to yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Maryland controls the time on his amendment. Is he willing to yield back the remainder of his time?

Mr. BREWSTER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Maryland has 30 minutes remaining.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield to the Senator from Ohio.

The PRESIDING OFFICER. How much time does the Senator yield to the Senator from Ohio?

Mr. BREWSTER. I yield as much time to the Senator from Ohio as he may require.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. LAUSCHE. The statement shows the name of the producer, the quantity of bushels pledged, the amount of money loaned by the Government to the producer, and the amount repaid.

It was my original understanding that the farm program was intended to preserve the existence of the small farmer, the family farmer. On the subject of barley, the Westlake Farms of Stratford, Calif., pledged 971,000 bushels and borrowed \$933,000.

I point to the following examples: Youngker Farms Co., amount repaid, \$200,748.60; Westlake Farms, \$937,336.20; Five Points Ranch, Inc., \$284,519.04; Tulana Farms, \$157,682.29.

How different those figures are from the principle that the program was intended to preserve the family farm, the little farm. The point I am trying to make is that the program has departed far from its original structure. There are many other examples, involving huge sums of money. On the first page of the report dealing with barley and dried beans, the high figure is \$937,000 and the low figure is about \$25,000. There is one item of \$200,000, another of \$284,000, and a third of \$157,000.

The number of borrowers whose loans exceed \$25,000 is rather substantial. It seems to me that if the program was intended originally to preserve the small family farm, it has departed completely

from that objective. Mr. President, I ask that this tabulation be printed in the RECORD.

Mr. BREWSTER. Will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. BREWSTER. The Senator was momentarily absent from the Chamber. I have already placed that same report in the RECORD.

Referring to pages 2, 3, 4, 5, 6, and 7 of the report that he is quoting from, I invite the Senator's attention to the fact that we find few repayments to the Government.

Mr. LAUSCHE. The Senator is correct.

Mr. BREWSTER. With respect to soybeans, let me emphasize that, as shown on page 20, one company, the Arkansas Grain Corp. of Stuttgart, Ark., borrowed \$16 million, and paid back \$10 million. I ask the Senator, Does that make any sense?

Mr. LAUSCHE. That is the reason why I shall support the Senator's amendment. As to the Arkansas Grain Corp. which borrowed \$16,353,580 and paid back \$10,454,477, I do not know whether it means that the balance of \$6 million is a loss, but it might be. I cannot subscribe to the program, and I support the proposed amendment of the Senator from Maryland.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The amendment of the Senator from Maryland would limit the amount of price support loans or payments which could be made to any producer for any year to \$25,000.

Much consideration has been given to limitations of that kind in the past. A limitation of \$50,000 was enacted in the Agricultural Appropriation Act of 1960. The General Counsel of the Department of Agriculture issued a 33-page opinion covering a number of questions concerning that limitation, but still it was found unworkable. It was not extended after 1960.

Price support purchases would not be covered by the pending amendment, but even if they were, how could the amendment be applied to dairy products, which are purchased from brokers, where the producer of the product cannot be identified? How would corporate producers be covered? Where price support is made through payments, the amendment might wipe out the larger producers, but where the price is supported by loans, it is probable that enough of the product would be put under loan to support the loan price for both large and small producers.

At present, the Secretary of Agriculture has considerable discretion to use either price support payments or diversion payments to accomplish program purposes. The Senator's amendment would not apply to diversion payments.

Price support programs are designed to protect both producers and consumers, and to achieve price stability and orderly marketing. The provision proposed by the Senator from Maryland would make it most difficult to achieve the purposes of the program.

Mr. President, from the discussions I have heard today, I believe it is possible that the Senator does not quite understand the workings of the program. I was particularly interested in the comments by my good friend the Senator from Ohio [Mr. LAUSCHEL].

Mr. ROBERTSON. Will the Senator yield for a moment on that question?

Mr. ELLENDER. Just a minute.

The purpose of price support loans is to provide for the orderly marketing of wheat, corn, or other commodities produced in large quantities by making it possible to remove them from the market temporarily, in many instances, so as to stabilize it. Of course, such action assists all growers of the particular commodities. It inures to the benefit of the small farmer, because if such large amounts of wheat or corn were to be dumped on the open market, it would break the price of the commodity drastically. This would hurt all producers, not just the large producers. As a matter of fact, it is highly likely that small producers would be hurt most, because they cannot stand much of a price reduction without being in grave trouble.

From the beginning of the program, the purpose was to provide a method whereby producers could borrow money and store their crops as harvested and later could repay the loans if the market price went up, or if they could sell at a profit. That happened in many, many cases. The law provides, of course, that if the market does not improve, the commodity remains in the hands of the Federal Government.

I think that the program has worked well. I agree that it is costly. But it has been a savior to the producers of these commodities.

If the Senator's amendment is adopted, it would mean that many of the larger producers would continue to produce much more than our requirements are, and thereby break the market hurting the small farmers. I know that my good friend, the Senator from Virginia [Mr. ROBERTSON], would not wish to see that happen.

I hope that my good friend the Senator from Maryland would not wish to see that. I believe that the program has directly stabilized the production of our major commodities, our five or six main commodities, such as corn, wheat, cotton, tobacco, and other staple commodities, and indirectly stabilized the production of others. If the amendment is enacted into law, it will be akin to throwing a bombshell into the whole program. The purpose of the law is to try to keep production, if possible, in line with our requirements. The adoption of the amendment would do just the opposite.

As I said before, in 1961 it was necessary for us to devise a new program for corn and other feed grains. The stocks had grown so large that it was necessary for us to reduce the surplus.

How could we reduce the surplus? By encouraging producers not to plant, by offering them a diversion payment or a price support if they will comply by cutting back on their acreage.

In my opinion, this is the only way to do it. I do not know of any other way

which could be devised to accomplish that end.

Inasmuch as the principal purpose of the diversion payments and the loan payments is to reduce surpluses, it goes without saying that the larger farmers who produce most of the commodities can contribute most. That is why the program should be uniform. And that is why there should be no limitation on the payments. If ever we amended the law whereby payments to the producer would be limited we would destroy the purpose of the act because it is, in effect, the larger producers, be it individuals or corporations—we have them with us—that account for the greatest cut in production. To limit their opportunities, we would certainly, in my opinion, be increasing surpluses. The purpose of all the laws we are considering today is to keep our production in line with consumption requirements both at home and abroad.

Accordingly, I hope that the amendment will be defeated.

Mr. ROBERTSON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. Let me point out, first of all, that the amendment is an amendment to another amendment. The Senator obtained the drafting services of the Senate to prepare the amendment. The original amendment was prepared by the drafting service. No one needs to tell me that the staff of the drafting service is so dumb that it does not know how to prepare an amendment that would be useless and of no effect. The fact is that the distinguished Senator from Louisiana has finally admitted the fact that it would have effect, when he called it a bombshell. That is what we hope it will be, by going over the heads of the little farmers and hitting the farmers receiving \$25,000 or more, whom we should not subsidize.

The PRESIDING OFFICER (Mr. MONTAYA in the chair). The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 additional minutes.

Mr. ELLENDER. The protection the small farmer obtains is due to the fact that we keep a great deal of production off the market. If we did not have a place where the larger producers could obtain loans to keep his product off the market, there is no doubt that the price of the commodity would go down. In other words, if we caused the larger producers to dump all their production on the market, it would ruin the market. Those who would lose most would be the small growers.

Mr. ROBERTSON. I do not see how the small grower would lose. Why should we assume that the big grower is going to produce at a loss when he knows it will cost more? He will go out of business.

Mr. ELLENDER. If we wish to put the large growers out of business, we can succeed by doing the very thing the Senator is advocating now. But my fear is that there will be shortages, because to-

day many farmers receive some kind of protection for the production of their crops, or they would not be in business.

I repeat that the method of providing for loans on the commodity as it is harvested has stabilized the price of the commodity in the market; and unless we have such a device, the large producer would be forced to dump his commodities on the market, it would lower the market price and seriously affect the small farmer, because he would have to sell at lower prices.

Therefore, Mr. President, I hope that the amendment will be defeated.

Mr. President, I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, will the Senator from Maryland yield back the remainder of his time, except for 1 minute, after he is through speaking?

Mr. BREWSTER. I should like to make a few closing remarks but prior to doing that would like to suggest the absence of a quorum.

Mr. MANSFIELD. If the Senator from Maryland will withhold his request for a moment I should like to yield to the distinguished Senator from Michigan [Mr. McNAMARA] to file a privileged matter.

Mr. BREWSTER. I am glad to yield for that purpose.

(At this point Mr. McNAMARA submitted a report from the Committee on Public Works, which appears elsewhere, under an appropriate heading.)

Mr. MANSFIELD. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREWSTER. Mr. President, I should like to summarize the present status of the amendment which I originally introduced and which has been amended by the distinguished Senator from Virginia [Mr. ROBERTSON].

This is what we propose:

First. The Department of Agriculture, or the taxpayer, makes no loan or payment to any producer for more than \$25,000 in any 1 year. Let me point out that this provision would not go into effect until January 1, 1967, and, therefore, no crop now on the ground would be affected.

Second. We propose to bar payments to corporate business ventures.

Third. At the suggestion of both Senators from Hawaii, the sugar industry is in no way affected.

By way of example, I point out one venture which I discussed earlier in the day. In soybeans, the Arkansas Grain Corp., of Stuttgart, pledged, over 7 million bushels of soybeans, received a loan in excess of \$16 million, and paid back \$10 million.

The overall record since 1933, when we got into this business—and I read from the Department's own report—shows that of the \$56 billion in price supports extended by CCC since 1933, loans ac-

count for nearly \$42 billion, or 47 percent.

Of these loans, \$14 billion has been repaid, or only 34 percent.

For every \$3 expended by the taxpayers on commodity loans, the Government has received back \$1.

I do not argue that our cutoff amendment is the answer to the agricultural program. I argue that we must put a brake on it. It is wasteful. It is extravagant. It does not work. It is time for someone to do something to stop it.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I support the Senator's amendment. On previous occasions I have supported similar amendments. The amendment is in line with the President's stated objective when he said in his message last January that in any approach to the farm problem he wanted to make sure that the benefits would go to the small farmers. If that is what the administration wants, this amendment should be adopted.

Mr. BREWSTER. I thank the Senator for his support.

Mr. President, there are only two basic reasons for the Government's intervention in the field of agriculture, as the Senator from Virginia pointed out. The first is that we want to have adequate food and fiber in the United States to protect our population. Second, we want to protect the small family farmer.

My amendment would not affect either of those two objectives. I have heard no one else suggest any other approach to the problem.

Mr. President, I am ready to yield back my time.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. BREWSTER. I am glad to yield.

Mr. TALMADGE. The amendment which the Senator has at the desk does not apply to the shipbuilding subsidy, does it?

Mr. BREWSTER. As the Senator from Georgia knows, it does not apply to the shipbuilding subsidy. I really do not think that has anything to do with the "price of eggs."

Mr. TALMADGE. Would the Senator be willing to modify his amendment to have it apply to shipbuilding?

Mr. BREWSTER. As the Senator knows, I would not.

Mr. TALMADGE. Would the Senator be willing to modify his amendment to have it apply to magazine postal subsidies, which have been estimated at \$10 million?

Mr. BREWSTER. That is a subject with which I am not conversant. If we are subsidizing magazines, it is news to me.

Mr. TALMADGE. It is my understanding that considerably cheaper postal rates apply to magazines distributed through the mail, hence, a subsidy. Why should the Senator limit his amendment only to farmers, who have average annual incomes of approximately one-half the average annual incomes of nonagricultural workers?

Mr. BREWSTER. The Senator included two subjects in his earlier questions. One is shipbuilding and the other is magazines? I happen to be of the opinion that the Post Office Department—which, I gather, is what the Senator is referring to—has the obligation to all Americans to get them as much information as possible, at reasonable rates, so they can form adequate judgments on policies of the Government, and, indeed, on our own performance here.

Mr. TALMADGE. The obligation of the U.S. Government to supply her peoples with an abundance of food and fiber is, in my opinion, no less binding than her obligation to supply them with educational materials. Subsidies for farmers are criticized by people, mostly urbanites, who have not give full and considerate thought to the fact that the greatest subsidy existing in our country is the subsidy that the rural areas provide our cities. There are two examples of this subsidy.

First. The rural areas incur enormous expense educating young people out of county revenues. When these same young people mature, rather than remain on the farms, they migrate to the cities in search of better employment opportunities. Although these young people were educated with rural tax dollars and used county public facilities all their lives, it is the city that collects taxes from these migrants once they become taxpaying citizens.

Second. The American farmer produces for the people of the United States the greatest abundance of food found anywhere in the world, which is sold at lower prices than anywhere in the world. The American consumer can buy more food of a greater variety with 1 hour's wages than can most people anywhere else in the world with 1 week's wages.

It seems to me that if the Senator is determined to attack subsidies, instead of limiting his amendment to farmers, who earn the lowest net return of any group in our economy, he ought to include shipbuilders, for example, who have huge subsidies, much greater than any farmer receives.

Mr. BREWSTER. I agree that perhaps the entire subsidy program should be reviewed. I happen to look at shipbuilding as a part of our national defense program.

Mr. TALMADGE. If the Senator will yield, does he not think farm production is an essential component of our national defense?

Mr. BREWSTER. I do not yield. Since we have an army, air corps, and navy, I also think we should have a viable merchant marine. But, as the Senator knows, this subsidy does not go to the family farmer, so it does not go to the heart of the agricultural problem. My amendment would eliminate the big producers who are profiting at the taxpayers' expense.

Mr. President, I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I yield 1 minute on the bill to the Senator from Wyoming.

Mr. McGEE. Mr. President, while I am in complete sympathy with the de-

sire of my good friend the Senator from Maryland [Mr. BREWSTER], to reduce the costs of farm programs and to eliminate the subsidization of those for whom farm payments are just additional income, not a part of their basic livelihood, I must oppose his amendment to impose a blanket ceiling of \$10,000 a year on price support loans or payments for any agriculture program.

In my opinion, this proposal does not take into account the wide variety of operations and the vast latitude in expenses and incomes which exists in the various segments of our agricultural industry. To try to impose a simple ceiling with no regard to the operating conditions of the individual farmer and the differences in costs and procedures from one type of operation from another and between various sections of our Nation would be unfair to many farmers, who for reasons beyond their control, have had to depend upon some type of Federal assistance to remain on the farm.

However, Mr. President, I would like to point to section 705 of the bill now under consideration and suggest that it contains the seeds for the development of a workable program for eliminating useless assistance in our farm programs. This section provides that the Secretary of Agriculture conduct a study on a county-by-county basis to determine the degree to which the multiplicity of programs under his direction benefit the farmer and to develop criteria for defining commercial family farms and how these criteria might apply in the implementation of farm programs. This report would be due on February 1, 1966. I commend it as a reasonable means of approaching the problem at issue here which could provide for its settlement in a logical and consistent manner.

The PRESIDING OFFICER. All time on the amendment has expired or has been yielded back.

The question is on agreeing to the amendment of the Senator from Maryland [Mr. BREWSTER] as modified, to the committee amendment in the nature of a substitute.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Rhode Island [Mr. PELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Missouri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. RANDOLPH] would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Missouri would vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN], and the Senator from Pennsylvania [Mr. SCOTT] are absent on official business.

The Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Pennsylvania would vote "yea."

The result was announced—yeas 33, nays 56, as follows:

[No. 256 Leg.]

YEAS—33

Bartlett	Douglas	Moss
Bayh	Fong	Nelson
Bible	Gruening	Neuberger
Boggs	Hartke	Prouty
Brewster	Hickenlooper	Proxmire
Burdick	Jackson	Ribicoff
Cannon	Lausche	Robertson
Case	McGovern	Russell, Ga.
Church	McNamara	Saltonstall
Cotton	Miller	Smith
Dodd	Morton	Williams, Del.

NAYS—56

Allott	Holland	Montoya
Bass	Hruska	Morse
Byrd, Va.	Inouye	Mundt
Byrd, W. Va.	Javits	Murphy
Carlson	Jordan, N.C.	Muskie
Cooper	Jordan, Idaho	Pastore
Curtis	Kennedy, Mass.	Pearson
Dirksen	Kennedy, N.Y.	Russell, S.C.
Dominick	Kuchel	Simpson
Eastland	Long, Mo.	Smathers
Ellender	Long, La.	Sparkman
Ervin	Magnuson	Stennis
Fannin	Mansfield	Talmadge
Fulbright	McClellan	Thurmond
Gore	McGee	Tower
Harris	McIntyre	Yarborough
Hart	Metcalf	Young, N. Dak.
Hayden	Mondale	Young, Ohio
Hill	Monroney	

NOT VOTING—11

Aiken	McCarthy	Symington
Anderson	Pell	Tydings
Bennett	Randolph	Williams, N.J.
Clark	Scott	

So Mr. BREWSTER's amendment, as modified, was rejected.

Mr. ELLENDER. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I offer the amendment which I send to the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the bill add a new section as follows:

"Sec. 707. Notwithstanding any other provision of law, no producer shall be eligible for price support loans or payments under any program or programs administered by the Department of Agriculture in any amount in excess of \$50,000 for any one year. The foregoing dollar limitation shall include the fair dollar value (as determined by the Secretary of Agriculture) of any payment in kind made to a producer."

Mr. WILLIAMS of Delaware. Mr. President, on this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. I yield myself 5 minutes. I see no reason for debating the amendment extensively. It

is exactly the same principle as that which was defeated by the Senate a moment ago, except that the amendment which was just voted on proposed to place a \$25,000 limitation. I supported that amendment and wish it had been adopted. But since it was rejected, I am offering the same proposal except with a limitation of \$50,000.

In his state of the Union message on January 4, the President stated:

Our economy owes much to the efficiency of our farmers. We must continue to assure them the opportunity to earn a fair reward. I have instructed the Secretary of Agriculture to lead a major effort to find new approaches to reduce the heavy cost of our farm programs and to direct more of our effort to the small farmer who needs help most.

On February 4, when the President submitted his farm message to Congress, he mentioned the words "small farmers" at least half a dozen times. He said he wanted his program to be directed to the benefit of small farmers and not large, corporate-type farmers. If it is the small farmers whom we want to help, by all means this amendment should be adopted.

Certainly, \$50,000 is adequate and is more than a liberal amount. It is double the amount proposed in the amendment just rejected. My amendment will take care of the so-called small farmers throughout the country but will eliminate the corporate-type farming. What we are deciding is whether we want to help the small farmers of America or to perpetuate underwriting large corporate types of farm operations as we have been doing in the past.

The arguments for my amendment are the same as those which the Senator from Maryland made in behalf of his amendment, therefore I will not take the time of the Senate to repeat. With that suggestion, I rest my case.

Mr. BREWSTER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BREWSTER. Do I correctly understand that the proposal offered by the Senator from Delaware is precisely the same as the amendment just voted on, except that the \$25,000 limitation with respect to any producer, not including sugar producers, would be raised to \$50,000, and that all corporate enterprises would be eliminated?

Mr. WILLIAMS of Delaware. That is correct, except that my amendment does not include the exception of sugar. I did not know that that had been offered by the Senator from Hawaii.

Mr. FONG. My proposal was accepted.

Mr. WILLIAMS of Delaware. I am willing to accept that proposal as a modification of my amendment, so as to make it the same amendment as that which was offered earlier.

Mr. President, I ask unanimous consent that I may modify my amendment so as to include the proposal of the Senator from Hawaii.

The PRESIDING OFFICER (Mr. MONTROYA in the chair). Is there objection? The Chair hears none, and it is so ordered.

The amendment, as modified, is as follows:

At the end of the bill add a new section as follows:

"Sec. 707. Notwithstanding any other provision of law, no producer, except a producer of sugar, as defined in section 101(k) of the Sugar Act of 1948, as amended under title III of such act, shall be eligible for price support loans or payments under any program or programs administered by the Department of Agriculture in any amount in excess of \$50,000 for any one year. The foregoing dollar limitation shall include the fair dollar value (as determined by the Secretary of Agriculture) of any payment in kind made to a producer."

Mr. PASTORE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. I am curious to know why sugar should be exempt.

Mr. WILLIAMS of Delaware. Personally, I would be agreeable to including sugar if there were enough votes to adopt such an amendment, but I do not know whether there are sufficient votes. I am trying to have some amendment along this line adopted. This amendment does cover all commodities mentioned under the pending bill.

Mr. PASTORE. In other words, we can sustain the rich sugar producer but not the poor cotton producer.

Mr. WILLIAMS of Delaware. I would be perfectly willing to support an amendment to include sugar producers, and we could vote on both amendments, if that would suit the Senator from Rhode Island. I am trying to have some amendment adopted that will provide a limitation. If an amendment were offered later to include sugar production, I should be glad to support it.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MORTON. One reason for excluding sugar is the nature of the crop and the fact that in order to grow sugar efficiently, it must be produced on a large scale.

In Hawaii, the average wage of a worker in the sugar fields is \$24.50 a day. Such a wage could not prevail—it would be \$6, \$8, or \$10 a day—if it were not for the large-type operation.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. WILLIAMS of Delaware. I yield myself an additional 5 minutes.

The statement of the Senator from Kentucky is true.

In addition, the sugar quota is related to a tax on imports which will be coming over from the House in the next few days and will be before the Senate, and in which sugar can be dealt with as a separate issue. If it is not dealt with as a separate issue before we adjourn, there will be no sugar program of any kind that would be affected. It is only appropriate that the sugar question be handled in a sugar bill.

Mr. FONG. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. FONG. Is it not true that the sugar program is the only self-financing program in the entire agricultural program?

Mr. WILLIAMS of Delaware. I do not wish to engage in a discussion of how the program is financed, but I will agree that the sugar program is a separate act. Sugar is not one of the commodities which is stored by the Commodity Credit Corporation. The sugar program is administered under a separate law, entirely apart from the general farm program.

As I just said, a bill will be coming from the House in the next few days that will deal with the entire question of renewing or establishing a sugar program. Any modification that may be made in relation to that program should be made on that bill, which will be before Congress before this session is concluded.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. YOUNG of North Dakota. While the sugar program is self-financing through the imposition of excise taxes, the wheat program, too, would be practically self-financing if the use of wheat certificates was not disturbed. Does the Senator's proposal include loans as well as subsidy payments?

Mr. WILLIAMS of Delaware. Yes, it does.

Mr. YOUNG of North Dakota. Loans that are repaid?

Mr. WILLIAMS of Delaware. That is correct.

Mr. YOUNG of North Dakota. This would present a real problem to the average operator.

Mr. WILLIAMS of Delaware. I appreciate that.

Mr. YOUNG of North Dakota. We pay a very high price for labor in the wheatfields in North Dakota, too.

Mr. WILLIAMS of Delaware. I appreciate that, but this would cover the situation. I read the amendment, "No producer shall be eligible for price-support loans or payments under any program or programs administered by the Department of Agriculture in any amount in excess of \$50,000 for any 1 year. The foregoing dollar limitation shall include the fair dollar value—as determined by the Secretary of Agriculture—of any payment in kind made to a producer."

It does include all payments or loans which would be made on the various commodities affected under this bill, I want no misunderstanding on that.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DOMINICK. Mr. President, I want to ask about that corporation provision. I did not understand it. Would this provision eliminate any payment of any kind to a corporation?

Mr. WILLIAMS of Delaware. It would limit payments to \$50,000 to any group, whether corporation or individuals.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MORTON. Mr. President, any corporation in a nonfarm business can go to the bank and borrow money. This would not prohibit a nonfarm corporation from going to a bank and borrowing money.

Mr. WILLIAMS of Delaware. No, this would pertain to a Government loan subsidy under this bill.

Mr. ELLENDER. Mr. President, I have no further argument to advance. All of the arguments against the amendment of the Senator from Maryland apply equally to the amendment of the Senator from Delaware. Everything that Congress has worked out in the way of a farm program would be destroyed by this amendment. We have provided that prices shall be supported but this amendment would prevent their being supported. We have provided incentives for reducing production, but this would remove those incentives. This would play havoc with the balance between commodities. It would not apply to milk at all, but it would be destructive of the cotton program, the corn program, and the wheat program. The purpose of a price-support loan is to take crops off the market, particularly, during the flush marketing period at harvest time, and more or less stabilize the price of the commodity and assist the smaller farmers.

I hope that this amendment will receive the same vote as it did the last time.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BREWSTER. Mr. President, I point out the overall sorry record of the so-called loans. Since 1933 \$42 billion has been loaned and, of this amount, \$14 billion has been repaid.

Mr. ELLENDER. Mr. President, I yield 1 minute to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 1 minute.

Mr. YOUNG of North Dakota. Mr. President, the figures used by the distinguished Senator from Maryland are rather out of date with the present program.

Years ago we had a high price support with loans on a high value. Under the cotton bill now, there are low-level loans. We have the same situation with respect to wheat. Most of these loans are repaid.

This provision would seriously interfere with the operation of the farm bill.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Missouri.

AGRICULTURE EFFICIENCY SHOULD NOT BE PENALIZED

Mr. SYMINGTON. Mr. President, in considering the various amendments proposed today that price support loans or payments for any 1 year be limited to \$10,000, \$25,000, \$50,000, or \$100,000, I believe it important that we keep in mind the fact that these are economic and not welfare programs.

Never before in the history of the world have the people of any nation been so well-fed and clothed at so small a percent of their income. This is the direct result of the productive genius of the American farmer, genius that has been a blessing for us all.

Under the American system, we believe that those making this bounty of food

and fiber possible should have the opportunity to share in the wealth they create according to their contributions.

If the farm people could individually cut their total production to 98 or 99 percent of market needs, we could discontinue the price support and loan programs. Our farm people would then be in a sellers' market and would be receiving far more for their production. We can all be thankful that instead of scarcity we have plenty.

In Missouri last year, 154,500 farms produced feed grains—corn and small grains. Of this number, more than 12,000 had a feed grain base of over 100 acres. These 12,000 farms, although only about 8 percent of all the farms in the State, accounted for one-third of the grain production in Missouri.

Were these farmers, each of whom produced more than \$10,000 in price supported crops, to be limited to \$10,000 maximum in price support loans or payments, they would logically cease to cooperate in the programs, would produce the maximum on their farms, and sell on the open market at prices just below the umbrella furnished by price support loans to the covered producers.

Once again production would far exceed consumption, our feed grain stocks would be on the rise, and the cost to the Government would go up rather than down.

What would happen on feed grains under such a limitation would also take place on cotton and all other supported commodities.

If we were to set a limit on price support loans or payments, then it would seem equally reasonable to limit present subsidies on shipping, on postal rates, and benefits under the tariffs.

The owner of 10,000 shares of General Motors stock profits from the automobile tariff on each share of stock just as does the owner of 10 shares.

I know of no suggestion to put a ceiling on the benefit an individual could derive from tariff subsidies, nor should there be.

Neither should there be a dollar ceiling on the amount of participation in the farm programs, and I hope the Senate will continue to vote down these proposals.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. WILLIAMS of Delaware. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Delaware as modified. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Rhode Island [Mr. PELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Mis-

souri [Mr. SYMINGTON] are necessarily absent.

I further announce that, if present and voting, the Senator from Missouri [Mr. SYMINGTON] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Pennsylvania [Mr. SCOTT] are absent on official business.

The Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

If present and voting, the Senator from Utah [Mr. BENNETT] and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The result was announced—yeas 42, nays 49, as follows:

[No. 257 Leg.]

YEAS—42

Allott	Dominick	Moss
Bartlett	Douglas	Murd
Bayh	Gore	Nelson
Bible	Gruening	Neuberger
Boggs	Hartke	Prouty
Brewster	Hickenlooper	Proxmire
Burdick	Jackson	Ribicoff
Cannon	Jordan, Idaho	Robertson
Case	Lausche	Russell, Ga.
Church	McGovern	Saltonstall
Clark	McIntyre	Simpson
Cotton	McNamara	Smith
Curtis	Miller	Williams, Del.
Dodd	Morton	Young, Ohio

NAYS—49

Bass	Hruska	Morse
Byrd, Va.	Inouye	Murphy
Byrd, W. Va.	Javits	Muskie
Carlson	Jordan, N.C.	Pastore
Cooper	Kennedy, Mass.	Pearson
Dirksen	Kennedy, N.Y.	Randolph
Eastland	Kuchel	Russell, S.C.
Ellender	Long, Mo.	Smathers
Ervin	Long, La.	Sparkman
Fannin	Magnuson	Stennis
Fong	Mansfield	Talmadge
Fulbright	McClellan	Thurmond
Harris	McGee	Tower
Hart	Metcalf	Yarborough
Hayden	Mondale	Young, N. Dak.
Hill	Monroney	
Holland	Montoya	

NOT VOTING—9

Aiken	McCarthy	Symington
Anderson	Pell	Tydings
Bennett	Scott	Williams, N.J.

So the amendment of Mr. WILLIAMS of Delaware, as modified, was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. CASE. Mr. President, I send to the desk an amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CASE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment ordered to be printed in the RECORD is to insert, at the proper place in the bill, the following new title:

TITLE VII—EGGS

(1) Subsection 8c(2)(B) is amended (a) by inserting "and laying chickens, which, when used in this title, shall be deemed to include baby chicks and pullets produced, acquired, or handled for the production of table eggs," after "turkeys" where it first appears; (b) by inserting "and chicken table and hatching eggs other than chicken hatching eggs used for producing poultry meat," after "turkey hatching eggs" where it first appears; (c) by inserting "except as to liquid, frozen, or dried chicken eggs" after the phrase "including canned or frozen commodities or products" where it first appears; and (d) by striking the word "and" where it first appears in (ii) and inserting a comma in lieu thereof, and striking the period in (ii) and inserting in lieu thereof the following: ", and (iii) chicken table eggs, chicken hatching eggs, laying chicken hens, baby chicks and pullets may be treated as individual commodities under individual orders or may be combined in any combination under one order and treated as a single commodity for the purpose of regulating the quantity of chicken table eggs to be marketed in order to improve the economic conditions of chicken table egg producers."

(2) By adding a new subsection as follows:

"8c. (20) Laying chickens and chicken table eggs—Terms and conditions of orders.

"In the case of laying chickens and chicken table eggs, orders issued pursuant to this subsection shall contain one or more of the following terms and conditions and (except as provided in subsection 6, other than paragraphs (D), (E), (F), (G), (H), and (I) thereof, and subsection 7 of this section) no others; for the purpose of this section the hatching of baby chicks shall be considered handling of hatching eggs; and further for the purpose of this subsection it is determined that by reason of the widespread production and handling of laying chickens and chicken table and hatching eggs throughout the United States and the competition in marketing of such commodities throughout the United States all handling of such commodities is in interstate commerce or directly burdens or affects such commerce in laying chickens and chicken table and hatching eggs in the United States.

"(A) Limiting or providing methods for the limitation of the total quantity of laying chickens which may be marketed or otherwise handled during any specified period or periods by any or all handlers thereof.

"(B) Distinguishing, or providing methods for distinguishing, the different persons in the chicken table egg industry involved in the production and marketing of such eggs, including, but not restricted to, defining and classifying such groups of persons and providing for such different terms and conditions applicable to persons within each such class and to such classes as is determined to be appropriate to effectuate the purpose of the program in an equitable manner. Producer status may be limited to persons having a flock of laying chickens above a certain size where the Secretary determines, after hearing, that the regulation of the marketing of eggs from smaller flocks is not necessary to effectuate the policy of the Act and would impose an unwarranted burden upon the owners thereof or unnecessarily burden the administration of the order.

"(C) Determining, or providing methods for determining, the desirable quantity of chicken table eggs to be produced and marketed during any period and the desirable quantity of laying chickens necessary to allow the production and marketing of such desirable quantity of chicken eggs as determined. Table eggs shall be defined as edible

eggs for human consumption other than those used for hatching.

"(D) Allotting, or providing methods for allotting, the total quantity of laying chickens or chicken table eggs available or to be available during a specified period, or periods, equitably among chicken table egg producers upon the basis of the total quantity of laying chickens acquired by each producer, or chicken table eggs marketed by each producer, during such prior period which the Secretary determined to be representative, and the size, production and age of the laying chickens in his current flock(s), due allowance being made in the provisions of the order for abnormal conditions, hardship cases, and producers who did not produce chicken table eggs during all or part of the representative period; such apportionment shall constitute an allotment fixed for the producer within the meaning of subsection 8a(5) of this title.

"(E) When allotments for producers with respect to laying chickens or chicken table eggs have been established under this section, the order may contain provisions allotting or providing a method for allotting the quantity which any handler may handle so that any and all handlers will be limited as to each producer to the quantity allotted to each producer, and such allotment shall constitute an allotment fixed for each handler within the meaning of subsection 8a(5) of this title.

"(F) Providing for a market diversion program for chicken table eggs and/or laying chickens which may include open market purchases of chicken table eggs, and liquid, frozen, or dried eggs, of any grade, size, type, or quality, when the Secretary determines that the then current or the estimated price for chicken table eggs is such that the average return therefor to producers would not be reasonable in view of the prices of feed, the available supplies of feeds, economic conditions affecting table egg production, and other economic conditions which affect market supply and demand for chicken table eggs in the production area, and providing for the distribution of the net return derived from the disposition of such eggs or laying chickens to the market diversion fund and any amount determined by the Secretary to be in excess of such funds requirements to be equitably distributed among those contributing to such fund.

"(G) Establishing or providing for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of eggs or egg products; the expense of such projects to be paid from funds collected pursuant to the marketing orders.

"(H) Subsections 8c(8), 8c(9), the first section of 8c(10), 8c(11), 8c(12), 8c(13)(B), and 8c(19) of this title shall not be applicable to orders issued under this subsection.

"(I) The authorization for provisions contained in subsection 8c(7)(D) shall be applicable to orders containing provisions under this subsection with the same force and effect as though this subsection was specified therein."

(3) By adding a new subsection 8c(21) as follows:

"8c(21) Producer referendum for approving orders applicable to laying chickens and chicken table eggs.

"The Secretary shall conduct a referendum among chicken table egg producers for the purpose of ascertaining whether the issuance of an order under subsection 8c(20) is approved or favored by them. For the purpose of such a referendum a chicken table egg producer shall be a person (a) who provides the labor for caring for a flock of egg producing hens, which flock would be subject to an order, if approved, and

(b) who has an interest in the resulting egg production, and (c) who owns or leases and operates the producing facilities resulting in production of chicken table eggs subject to the order. No order shall be issued under this section unless approved by more than one-half of the eligible producers voting in said referendum. The terms and conditions of the proposed order shall be described by the Secretary in the ballot used in the conduct of the referendum. The nature, content, or extent of such description shall not be a basis for attacking the legality of the order or any action relating thereto."

(4) The prefatory language of subsection 608c(6) is amended by inserting after the words "other than" as they first appear, the words "laying chickens, chicken table eggs, and".

(5) Subsection 10(b)(2)(ii) is amended by adding at the end thereof the following: "Orders issued under subsection 8c(20) may provide for such assessments to be paid only by handlers of baby chicks, laying chickens, or chicken table eggs and, further, if the order provides for a market diversion program for chicken table eggs, the Secretary may determine the amount of funds necessary for such a market diversion program and this amount shall be assessed upon all handlers of chicken table eggs and each such handler shall pay his pro rata share of this amount to the authority or agency established to administer the order: *Provided, however,* That the Secretary may, after hearing, establish such quantities of chicken table eggs handled as he determines necessary to be exempt from both the administrative and market diversion assessments to avoid unnecessary burdens on handlers and, further, that the Secretary, after hearing, may determine at what point in the handling of baby chicks, chickens for laying, or chicken table eggs such assessments shall attach."

Renumber present title VII, title VIII.

Mr. CASE. Mr. President, the amendment proposed by myself, the Senator from North Dakota [Mr. BURDICK] and the Senator from Connecticut [Mr. DODD], to H.R. 9811, would authorize an eggmarketing order.

In that connection, I ask unanimous consent to have printed in the RECORD at this point an article from the Newark Evening News of May 5, 1965, entitled "Egg Income Down."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EGG INCOME DOWN: FARMERS' TAKE FROM MILK ALSO OFF

TRENTON.—Farm income from poultry and egg sales in New Jersey declined 15 percent in 1964, the New Jersey Crop Reporting Service announced today.

The reporting service, a division of the State agriculture department, said that receipts from milk sales also declined, but only about 3 percent.

Income from sales of eggs and poultry totaled \$53.3 million during 1964 compared to \$62.7 million in 1963, the department said. Eggs accounted for \$48.6 million of last year's total, down from \$56.7 million the preceding year.

FEWER HENS

The number of layers on New Jersey farms declined 11 percent to 8.2 million. White egg production dropped 10 percent to 1.6 billion.

Average production for each bird was 199 eggs for the year, a new record, the department said.

Monmouth County led the State in egg production, accounting for 316.4 million eggs. Cumberland was second and Ocean third.

Agriculture officials said that income from meat chickens amount to \$2.5 million, down 30 percent from 1963. Farm chicken sales declined 9 percent to \$2.2 million, but turkey sales were up 48 percent to \$1.4 million.

The dairy industry reported \$57.3 million in income from milk in 1964 compared to \$59.3 million in 1963.

PRICES HIGHER

Wholesale milk prices were up 4 cents per hundred pounds in 1964 to \$5.08 from a 12-year low in 1963.

Some 112,000 milk cows, 5,000 less than in 1963, produced an average of 9,770 pounds of milk each, a record high for New Jersey. The rate is topped only by California and Arizona.

Sussex County's milk production was tops in New Jersey again in 1964 with 240 million pounds. Warren was second and Hunterdon third.

Mr. CASE. Our amendment would amend the Agriculture Marketing Act of 1937 to authorize an egg marketing order. Such an order would provide for allocation among table egg producers of the estimated human egg consumption during specified periods.

The procedure to be followed is similar to that used for other marketing orders. The Secretary of Agriculture would publish a proposed order and hearings would be held, followed by a referendum among eligible producers. A majority would have to approve before the order would go into effect. Thus our proposed amendment is only enabling legislation.

Among other things, the purpose of such an order would be to, first, improve the economic conditions of producers of eggs for human consumption, and second, insure the public interest by keeping egg production widespread, in the hands of many people instead of a few. Prevention of a monopoly is the best insurance against exploitation of the public. Dispersion is also a protection against disaster to our total egg supply.

There are approximately 150 Federal and State marketing orders in effect today covering a wide variety of commodities including fruits, vegetables, tree nuts, cranberries, and milk among others. I am told that a survey conducted among those directing these orders indicates that they have resulted in developing order out of chaos, eliminating cutthroat activities in most cases, and stabilizing the price structure of the commodities involved.

Egg producers in my State are in dire straits. In 1957 gross cash receipts from egg production amounted to \$92.2 million. In 1958, it dropped to \$90.6 million, a loss of \$1.6 million. In 1959, the cash receipts dropped to \$72.6 million, a drastic reduction of \$18 million. And in 1964, preliminary estimates indicate that cash receipts from eggs will amount to only \$49.7 million. This represents a total drop in an 8-year period of \$42.5 million.

As of January 1, 1959, the number of farmers keeping poultry flocks in my State was 9,200. As of January 1, 1965, this figure was reduced to 3,900. Thus 5,200 farmers who kept poultry flocks went completely out of business. A similar decline has occurred in a number of other States. If we do not do something about this trend, we shall soon find

a handful of giants in complete control of egg production, a situation in nobody's interest.

There are no subsidies provided in this legislation. But there is provision for purchases of eggs and egg products on the open market by the Secretary of Agriculture in times of oversupply. Under our amendment these purchases and administration of this program will be borne entirely by the producers themselves through an assessment at either the hatchery, producer, or egg processor level.

This amendment would give egg producers the right, enjoyed by so many other farmers, to decide whether they want a marketing order. I emphasize that the costs of administering the order would be borne by the egg farmers themselves.

I should be happy, Mr. President, to hear any comment that the chairman of the committee might have concerning my amendment.

Mr. ELLENDER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ELLENDER. Mr. President, this amendment has been before the committee for the past 4 years, but this year no hearings were held on it.

The amendment would authorize the issuance of marketing orders for, first, laying chickens—including baby chicks and pullets for the production of table eggs, second, chicken table and hatching eggs—other than eggs used for the production of poultry meat, and third, liquid, frozen, or dried chicken table eggs.

The Senator's amendment was referred to the committee on August 26. The committee has had no bill before it on this subject this Congress, and the subject matter was not brought up at the committee's hearings. It is a very complex amendment and a very complex subject. In 1961 the committee studied somewhat similar suggestions at great length, and it was a subject of considerable controversy in the passage of the Agricultural Act of 1961. At that time the Senate decided to limit this authority insofar as poultry and eggs were concerned to turkeys and turkey hatching eggs.

Mr. President, there is much opposition to this amendment. Personally, as chairman of the committee, I would suggest to my good friend the Senator from New Jersey [Mr. CASE] that he not press his amendment. Early next year, when the committee meets, I shall be glad to hold special hearings on the subject, in an effort to find ways and means of assisting the egg and chicken industry if possible. But I hope that the Senator will withdraw his amendment.

Mr. CASE. Mr. President, I have discussed the measure with the chairman of the committee on several prior occasions, and just before I offered the amendment this afternoon. I realize that its subject matter is controversial. Those of us who represent northern States, in particular, feel that our situation is becoming more drastic all the time in regard to the egg business, and that if

something is not done soon, we shall be out of business and, in effect, a monopoly will very quickly result, to the detriment of the consumer as well as the economy as a whole.

I am not minded to press the amendment at this point, because, as the chairman says, there were no hearings before the committee on it at this session. I feel, however, that the situation has drastically changed for the worse since the matter was previously considered, and that we must have hearings at the earliest possible date. I accept the chairman's offer of hearings for early next session in complete good faith, and with that understanding, I am happy to withdraw the amendment from consideration on this particular bill.

Mr. ELLENDER. As I pointed out, the Senator submitted his amendment on the 26th of August, when we had already had hearings on the bill.

Mr. CASE. The chairman is absolutely correct. That was called to my attention, and this is the only course I have at this time.

Mr. ELLENDER. That was the reason we did not conduct hearings on the amendment. But I assure the Senator that if he submits his amendment and has it referred to the Committee on Agriculture and Forestry, hearings will be held early next year.

Mr. CASE. With that understanding, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. WILLIAMS of Delaware. Mr. President, I send to the desk an amendment, and ask unanimous consent that the reading of the amendment be dispensed with, and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment ordered to be printed in the RECORD is to add, at the end of the bill, a new section, as follows:

SEC. 707. Notwithstanding any other provision of law, no producer shall be eligible for price-support loans or payments under any program or programs administered by the Department of Agriculture in any amount in excess of \$100,000 for any one year. The foregoing dollar limitation shall include the fair dollar value (as determined by the Secretary of Agriculture) of any payment in kind made to a producer, except a producer of sugar as defined in section 101(k) of the Sugar Act of 1948 as amended, under title III of such act.

Mr. WILLIAMS of Delaware. This is the same amendment voted upon previously today, except that this time I am trying to see if the Senate will agree to a limitation of \$100,000 in Federal payments to any one individual or corporation as far as the farm program is concerned. It affects, again, all the commodities included in the bill, except sug-

ar, which will be dealt with in a special sugar bill when it comes over from the House of Representatives.

This amendment is the same language as the former amendment, as was offered by the Senator from Maryland [Mr. BREWSTER] except that it proposes a limit of \$100,000 instead of \$25,000. Otherwise, it is identical. The same arguments that were made before are made in behalf of this proposal. Surely when we increase the limitation to \$100,000 to any individual, no one can say, "You are limiting this too strict as far as the small-type farmer is concerned."

The President, in his state of the Union message, mentioned specifically his interest in legislation for the small farmer. He never said a word about being interested in taking care of the large-type operator, the corporate-type operator. As the Senator from Maryland pointed out earlier, there was one individual company engaged in the production of rice which received \$2,609,820 in price support loans in 1 year. There was another receiving over \$11 million on another commodity. Certainly no one can say those are small-type farming operations. There should be a reasonable limit.

I regret to delay the Senate in voting on numerous amendments, but I know of no other way than to move forward progressively to see whether the Senate really means what it says, whether it wishes to pass a farm bill for the bona fide farmers, or for the corporate type of operation.

Mr. COOPER. Mr. President, will the Senator from Delaware yield at that point?

Mr. WILLIAMS of Delaware. I am glad to yield to the Senator from Kentucky.

Mr. COOPER. I say to the Senator, as he knows so well, that it is unpopular to vote against such an amendment as the Senator from Delaware is offering. However, does not the Senator believe that the success of any farm program depends upon compliance by a large number of farmers, and certainly the larger farmers?

Mr. WILLIAMS of Delaware. There is no question about that.

Mr. COOPER. Does not the Senator know that the kind of amendment which he offers and continues to offer, if it should be adopted, would really strike at a program which itself benefits all farmers, large and small, and gives them an opportunity to earn a reasonable income, as well as providing the food needed by all the people of this country. I believe that the Senator knows that it might be one of his purposes to defeat the farm program. Am I correct?

Mr. WILLIAMS of Delaware. No; the Senator is not correct. I admit I do not like the farm program which is before

the Senate. I do not mind saying that. But, on the other hand, the small farmer who has 100 or 200 acres cannot afford to take advantage of the provisions of the bill, and accept payments to cut back his acreage. He has to buy a tractor to cultivate the 100 or 200 acres. He has to buy cornpickers, combines, and all the other machinery that goes with any farm operation.

When the small farmer cuts back his acreage his cost of operation is almost the same as it would be if he did not cut back. Therefore, he cannot afford to cut back. A farmer with a thousand acres or several thousand acres can cut back a few hundred acres, put it in the Soil Bank and collect his money from the Government, and put the rest of his production in a price-support loan. All he has to do is lay off one or two of his hired men. He can efficiently utilize his machinery on the reduced acreage.

By subsidizing big operations under the farm program, we will gradually force the small-farmer type of operation out of business.

Theoretically, under the bill, the small farmer has the same benefits as the large farmer except that, as I said before, in order to maintain the efficiency of his operation, to efficiently make use of the equipment which he must buy for 100 acres or 200 acres, he cannot afford to take advantage of the Soil Bank provisions of the bill.

Therefore, it is not exactly true to say that the small farmer will benefit under the bill to the extent that the large operator will, because the small farmer cannot take advantage of the programs. Certainly a man operating a farm with a \$100,000 annual income, should be able to do it without coming to the U.S. Government for a subsidy.

Mr. President, I see no reason for delaying this matter further. I am willing to yield back the remainder of my time. I ask again for a ye and nay vote, because I wish to know exactly how far the Senate wishes to go with the farm program.

Mr. WILLIAMS of Delaware subsequently said: Mr. President, I ask unanimous consent that there be printed in the RECORD immediately following my earlier remarks, a list prepared by the Department of Agriculture, as of June 21, 1965, showing the loans that were made in excess of \$100,000 in price support loans under this program.

This list includes "loans only" and does not include the amounts these same people may have received under the feed grain program or other programs.

The amendment I offered covers all together under the proposed limitation.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

1963 crop price-support loans made of \$100,000 or more and amount repaid, by producer

State, producer, and address	Quantity pledged	Amount loaned	Amount repaid	State, producer, and address	Quantity pledged	Amount loaned	Amount repaid
CORN				COTTON—continued			
Illinois:				Mississippi—Continued	<i>Bales</i>		
Tallmadge Ranch, Inc., Mokenca.....	115,930	\$128,682.28	-----	J. & M. McKee, Friars Point.....	675	\$110,358.86	-----
Cote Farms, Inc., St. Anne.....	167,239	180,618.12	-----	Billups Plantation, Indianola.....	1,187	203,083.33	-----
Iowa: V. Bell, Chrystal Bros., E. E. Reid,				Emile T. Schaefer, Yazoo City.....	858	133,392.87	\$124,494.14
Roy Reid, Max Naylor, Jake Bell, To-				S. C. Coleman, Yazoo City.....	705	120,985.42	68,630.60
shiana Co., R. Garst, Tr. et al., A. Stein,				H. M. Haney, Jonestown.....	783	136,693.87	1,492.17
Dr. W. Mackin, Garst Co., and L. M.				Oasis Plantation, Stovall.....	673	114,440.65	2,140.88
Brannon, Coon Rapids.....	153,123	153,123.00	-----	Yandell Bros., Vance.....	1,661	272,683.28	-----
Nebraska: Hundahl Farms, Tekamah.....	99,120	100,111.20	-----	C. B. Box Co., Midnight.....	2,004	335,685.95	174,734.49
BARLEY				Kline Planting Co., Alligator.....	1,325	231,709.86	-----
Arizona: Youngkor Farms Co., Buckeye....	192,357	173,121.30	\$173,121.30	King Plantation, Greenwood.....	1,822	316,586.80	31,596.76
California:				Roberson Plantation, Minter City.....	1,201	208,667.91	741.83
Five Points Ranch, Inc., Five Points....	219,147	201,615.24	201,615.24	O. F. Bledsoe Plantations, Greenwood..	1,667	283,244.90	2,080.38
Westlake Farms, Inc., Stratford.....	833,333	766,666.40	766,666.40	Klondike Planting Co., Greenville.....	1,330	218,490.54	167,649.06
BEANS, DRY EDIBLE				Billups Plantation, Inc., Indianola.....	794	134,347.50	90,502.05
	<i>Hundred-</i>			Self & Co., Marks.....	1,206	212,717.27	-----
California: C. J. Segerstrom & Sons, Costa	<i>weight</i>			L. H. Fedric Farms, Glendora.....	1,010	170,162.65	14,650.73
Mesa.....	12,000	122,400.00	-----	Trail Lake Planting Co., Greenville.....	1,195	194,876.87	193,051.76
GRAIN SORGHUM				Withers & Seabrook, Tunica.....	657	109,225.32	-----
Arizona: Jack Robinson & Sons, Willcox....	52,365	100,017.15	-----	J. J. Hill & Co., Webb.....	1,000	170,587.69	37,186.14
OATS				Posey Mound Planting Co., Marks.....	553	100,198.11	-----
Oregon: Tulana Farms, Klamath Falls.....	<i>Bushels</i>			M. J. Commer, Jonestown.....	588	100,207.73	736.16
	718,750	524,687.50	524,687.50	Byron A. Seward, Louise.....	596	102,968.68	155.82
RICE				Greenhill Plantation, Midnight.....	812	142,339.50	-----
	<i>Hundred-</i>			Roy Flowers, Mattson.....	2,868	468,995.13	13,321.37
Arkansas:	<i>weight</i>			Flowers Bros. Planting Co., Dublin.....	822	132,965.89	683.86
Producers Rice Mill, Inc., Stuttgart....	486,000	2,609,820.00	2,609,820.00	H. R. Watson & Sons, Tunica.....	1,595	262,395.17	-----
Arkansas:				J. R. Flautt & Sons, Swan Lake.....	870	138,163.73	18,780.51
Alice Sidney Farms, Lake Village.....	24,456	123,502.80	123,502.80	T. E. Pemble, Merigold.....	1,010	168,589.65	15,875.20
W. B. Bynum Cooperage Co., Inc.,				Torrey Wood & Son, Hollandale.....	994	173,821.92	23,928.55
Dermott.....	34,102	169,476.33	169,476.33	Race Track Plantation, Greenwood.....	1,121	182,735.23	43,030.07
Craighead Rice Milling Co., Jonesboro..	41,178	190,578.73	190,578.73	Ralph T. Hand, Jr., Glendora.....	600	100,240.82	4,509.09
James M. Thomas, Tuckerman.....	18,810	105,524.09	6,452.62	W. P. Scruggs, Doddsville.....	1,376	235,227.56	97,711.83
Redbud Farms, Inc., Wabash.....	34,161	171,077.76	171,077.76	Sturdivant & Bishop, Inc., Minter City..	849	146,313.17	-----
Willard C. Wilson, Harrisburg.....	20,938	104,269.43	104,269.43	Borles Bros., Inverness.....	1,040	167,441.20	167,441.20
Louisiana:				Oaklawn Plantation, Dundee.....	587	103,613.87	235.00
Edmond and Vincent Zaucenbrecher,				W. M. Duncan, Inverness.....	1,807	305,621.63	305,621.63
Bonita.....	27,146	126,756.06	126,756.06	Evans Townes Estate, Minter City.....	706	116,670.88	51,805.22
J. C. Larison, Wilmot, Ark.....	46,533	220,932.23	220,932.23	Ed Hunter Steele, Morgan City.....	757	131,570.01	2,196.23
Mississippi:				Howard & Blythe Planting Co., Lake	944	163,277.20	49

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. HART. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I am happy to yield to the Senator from Michigan.

Mr. HART. Mr. President, in 1960 it was my privilege to serve on the Committee on Agriculture and Forestry. I recall that at that time—in the committee and later on the floor of the Senate—I argued as strongly as I could in support of the dollar limitation on amendments. As I recall, we managed to place a \$50,000 ceiling on. I like to think that my position was sound at that time.

I have voted consistently today, and will vote again in a moment, against the application of a dollar ceiling to present programs.

Briefly, let me explain why. First, in 1960, we had no experience with the administrative problems of a dollar ceiling. Second, unlike today, the programs then were largely nonvoluntary. In the intervening years, we attempted to develop a farm program based upon voluntary use and application.

It seems to me, therefore, that to apply a dollar ceiling would be self-defeating. The situation was not thus in 1960. The question which confronts us is not so much whether it should be \$25,000, or \$50,000, or \$100,000, but whether there should be a voluntary or mandatory program.

So long as the majority seeks to develop a voluntary program, we are fooling ourselves when we treat it as though there is some difference in the results achieved between \$25,000 and \$200,000.

Under the present programs a limitation on payments would not—in itself—increase the incomes of small farmers. It could well cut their income by encouraging large farmers, who would lose incentives for program cooperation, to increase production and depress the marketplace returns of small producers.

The money saved by forcing large farmers out of program participation could well be lost in the cost of storing and handling the additional surpluses.

We are adding, I believe, desirable flexibility to our farm and food policies and programs through the 1965 legislation. This flexibility must run through the entire fabric. The payment limitation, meaningful in earlier programs, is not suited to the present situation.

This does not imply that the payment limitation concept might not be reasonably restored in the future in response to new situations.

The Senate bill directs the Secretary of Agriculture to make a study of commercial family farms that will indicate,

among other things, the degree to which farm programs are of benefit to such farmers. Certainly such a study must give attention to program payment limitations and the results that might be anticipated, favorable or unfavorable to farmers, consumers, and taxpayers.

Therefore, Mr. President, unlike my position in 1960, today I have opposed and shall continue to oppose the application of a dollar ceiling.

Mr. ELLENDER. Mr. President, I have no further arguments to advance. If the Senate wishes to destroy the farm program the way to do it is to vote for the Williams amendment. Whether the limit is fixed at \$25,000, or \$50,000, or \$100,000, so long as it has any effect at all, that effect is to prevent the farm program from working as it has been written by Congress.

I think before we wreck the program designed to provide our citizens with plentiful food and fiber, we might look at some of the other programs which may involve subsidies.

Mr. President, I ask unanimous consent to insert in the RECORD at this point, a listing of such subsidies, as contained in a joint committee print of materials prepared for the Joint Economic Committee, entitled "Subsidy and Subsidy-Effect Programs of the U.S. Government."

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CHAPTER II. SCOPE OF SUBSIDIES

A better understanding and appreciation of the sweeping, amorphous character of subsidy programs may be gained by a mere listing of the various Federal programs, past and present, which, by one criterion or another, might be considered to partake of or involve an element of subsidy regardless of original intent of any particular program. This chapter undertakes such a classified listing. Needless to say, it would be easy in such a listing to overlook some program which should be included, just as it is to expand the listing unduly in order to underscore the many and graded facets of the concept. It will be readily apparent, moreover, that in a number of instances the listed subsidy programs could be included in more than one category. To avoid duplication, an attempt has been made to classify each program only in its primary category.

I. GRANTS TO BUSINESS FIRMS AND CORPORATIONS TO CARRY OUT SPECIFIC OBJECTIVES

Shipbuilding differential subsidy—Maritime Administration.¹

Shipbuilding subsidy for fishing vessels—Interior Department.

Ship-operating differential subsidy.

Subsidies to wartime producers of various raw materials and consumer items to stimulate production without violating price ceilings.

Land grants and cash contributions for railroad construction.

¹ This subsidy is supplemented by (1) Government's assuming the full cost of defense features built into a ship; (2) generous trade-in allowances on old vessels; (3) easy payment plans for vessel purchases; (4) Government loans of up to 75 percent of a vessel's purchase price; and (5) exemption of profits of subsidized shipping companies from corporate income tax, when placed in reserves for new construction.

Government subscriptions to railroad securities.

Subsidies for carrying mail—ship and civil air carriers.

Partial financing of plants to generate electricity from atomic fuels.

II. FARM SUBSIDY PROGRAMS

Commodity price support program, administered by the Commodity Credit Corporation, which maintains a floor under the price of certain agricultural commodities, by guaranteeing such prices through nonrecourse loans to farmers.

Surplus disposal programs, domestic and export.

Conservation and soil bank payments.

International Wheat Agreement, under which the price of wheat to American farmers is maintained at levels above those on the world market.

Sugar Act payments, a subsidy to domestic sugar producers who meet certain conditions of employment, production, and marketing.

Irrigation and flood control.

Grazing rights in national forestry and other public lands.

Agricultural extension services.

III. TAX BENEFITS TO SPECIFIC ECONOMIC GROUPS

Depletion allowances to minerals producers and other extractive industries.

Accelerated amortization of defense facilities, for holders of certificates of necessity.

Specific concessions to small business under the Technical Amendments Act of 1958.

Liberalized depreciation schedules.

Tax credits to modernize plants and machinery.

Authorized deductions on income tax computations are of particular assistance to particular groups of individuals, such as borrowers (including home mortgagors), the elderly, blind, and sick.

Any reduction in taxes will, of course, benefit certain individuals and firms more than others.

IV. INDIRECT ASSISTANCE TO SPECIFIC ECONOMIC GROUPS

Financing of highway construction, costs of which may be borne unequally, resulting, some maintain, in a subsidy to the trucking industry.

Financing of airport construction.

Construction of air navigation aids—traffic control equipment, weather reporting facilities, radio beams, instrument landing systems.

Improvements to harbors, dredging of rivers, construction of canals, and assisting in financing construction of canals.

Protective tariffs.

Government purchase restrictions under the Buy American Act.

Reserving coastal trade and trade with noncontiguous areas of the United States to American-flag shipping.

Cargo preference—several laws stipulating various kinds of cargo preference; e.g., requiring goods purchased for the Army and Navy, exports financed by Government loans, and half of foreign aid shipments to be transported in American-flag vessels.

V. GOVERNMENT ECONOMIC PROGRAMS WITH INCIDENTAL ECONOMIC EFFECTS SIMILAR TO THOSE OF SUBSIDIES

Letting of Government contracts for supplies, research, and development, etc.

Special provisions favoring (1) small businesses, and (2) depressed areas in awarding of Government contracts.

Disposal of surplus property, e.g., manufacturing plants, ships, and many other items at less than market value.

Stockpiling of mineral and other strategic materials.

Silver purchasing.

VI. FREE SERVICES OR SERVICES BELOW COST, OFFERED BY THE FEDERAL GOVERNMENT²

Statistical information of many kinds of importance to business, industry, and labor. The more important Federal agencies furnishing statistical services free or at small charge to the public are:

Department of Agriculture: Agricultural Marketing Service.

Department of Commerce: Bureau of the Census; Office of Business Economics.

Department of Labor: Bureau of Labor Statistics.

Department of the Interior: Bureau of Mines.

Post Office Department.

Treasury Department: Internal Revenue Service.

Board of Governors of the Federal Reserve System.

Civil Aeronautics Board.

Federal Communications Commission.

Federal Trade Commission.

Housing and Home Finance Agency.

Interstate Commerce Commission.

Securities and Exchange Commission.

Maps, charts, and aids to navigation by the Coast and Geodetic Survey and Geological Survey.

Crop estimates by the Crop Reporting Service.

Weather forecasts by the Weather Bureau.

Scientific and industrial research by such agencies as the National Bureau of Standards, Geological Survey, Bureau of Mines, Forest Service, Fish and Wildlife Service, Tennessee Valley Authority, Bureau of Public Roads, Department of Agriculture, Food and Drug Administration, and the Atomic Energy Commission.

Certain postal services, provided free and various others below cost, such as second- and third-class mail and rural free delivery.

Management and technical assistance to small businesses and area redevelopment agencies.

Assistance to small business in obtaining Government contracts.

Protection against forest fires.

Land grants and land sales to farmers.

Construction and assistance in maintaining farm-to-market roads.

VII. LENDING AND LOAN GUARANTEE PROGRAMS OF FEDERAL AGENCIES IN EFFECT IN FISCAL YEAR 1965

(a) Direct loan programs:

Department of Agriculture:

Rural Electrification Administration:

Loans, chiefly to cooperatives, to provide electric power and telephone service to farms.

Farmers Home Administration: Loans to farmers to "strengthen the family type farm and encourage better farming methods"; include operating, ownership, rural housing, land use, watershed, and emergency loans.

Commodity Credit Corporation: Loans to farmers with commodities as collateral.

Department of Commerce: Area Redevelopment Administration: Loans for industrial, commercial, and public facilities in redevelopment areas.

Department of Health, Education, and Welfare: Office of Education: Loan funds for student financial aid, construction, and acquisition of teaching equipment.

Department of State: Agency for International Development: Loans under the Agricultural Trade Development and Assistance Act to promote unilateral trade and economic development, and other loans to develop resources of underdevelopment nations.

Department of the Interior: Bureau of Commercial Fisheries: Loans to fisheries.

Export-Import Bank: Loans to finance exports and imports and to promote economic development in lesser developed countries.³

² Loan, loan guarantee, and insurance programs are listed separately, below.

³ Currently self-supporting.

Housing and Home Finance Agency: Federal National Mortgage Association: Purchase of Government-insured mortgages.³

Urban Renewal Administration: Loans to local public agencies for slum clearance and urban renewal projects.³

Community Facilities Administration: Construction loans for college housing, for public facilities, and for facilities for the elderly.

Public Housing Administration: Loans to local authorities for construction of low-rent public housing.³

Office of Economic Opportunity:

Loans to combat poverty in rural areas.

Loans to small businesses and individuals

interested in establishing small businesses.

Small Business Administration:

Business loans to small businesses.

Disaster loans to small businesses.

Purchases of debentures of and loans to small business investment companies.

Loans to State and local development companies.

Veterans' Administration: Direct housing loans in rural areas and small towns.³

(b) Loan guarantee and insurance programs:⁴

Housing and Home Finance Agency, Federal Housing Administration: Insures wide range of real estate loans.

Veterans' Administration: Housing, business, and farm loans to veterans guaranteed.

Farmers Home Administration: Insures farm ownership and soil and water conservation loans.

Commodity Credit Corporation: Private loans on commodities guaranteed.

Maritime Administration: Guarantees private construction loans and mortgages on most types of passenger and cargo-carrying vessels.

Civil Aeronautics Board: Guarantees loans for aircraft purchases by local air services and other small airlines.

Interstate Commerce Commission: Guarantees loans to railroads for certain purposes under Transportation Act of 1958.

Defense Production Act (sec. 301): Authorizes guarantees by various agencies on loans to defense contractors and subcontractors.

Export-Import Bank.

Small Business Administration.

VIII. INSURANCE PROGRAMS UNDERTAKEN BY THE FEDERAL GOVERNMENT⁵

Agricultural crop insurance—Federal Crop Insurance Corporation.

Bank deposit insurance—Federal Deposit Insurance Corporation.

Savings and loan association deposit insurance—Federal Savings and Loan Insurance Corporation.

Federal employees group life insurance—Civil Service Commission.

Federal employees civil service retirement insurance—Civil Service Commission.

Health insurance for Federal employees (participation in)—Civil Service Commission.

U.S. Government life insurance—Veterans' Administration.

National service life insurance—Veterans' Administration.

Veterans' special term life insurance—Veterans' Administration.

⁴ Several of these programs do not now involve net losses to the Federal Government. Insurance and loan guarantee programs involve Federal commitments which could result in losses to the Government at some future time. These programs are in the nature of subsidies in the sense of providing insurance or loan guarantee services not available or available only at higher cost from private enterprise.

⁵ See above, pp. 14-15, for loan and mortgage guarantee and insurance. Several of the programs listed here do not involve net contributions by the Federal Government. See also footnote 4, p. 14.

Old-age and survivors insurance—Bureau of Old-Age and Survivors Insurance.

Disability insurance—Bureau of Old-Age and Survivors Insurance.

Service-disabled veterans' insurance—Veterans' Administration.

Unemployment insurance (jointly with the States)—Bureau of Employment Security.

Railroad unemployment and sickness insurance—Railroad Retirement Board.

Maritime war risk insurance—Maritime Administration.

Aviation war risk insurance—Department of Commerce.

IX. FEDERAL AID PAYMENTS TO STATES AND LOCAL UNITS⁶

Department of Agriculture:

Agricultural experiment stations.

Cooperative agricultural extension work.

School lunch program.

National forests fund, shared revenues.

National grasslands, shared revenues.

Cooperative projects in marketing.

State and private forestry cooperation, etc.

Watershed protection and flood prevention.

Special milk program.⁷

Removal of surplus agricultural commodities:

Food stamp program.⁸

Value of commodities distributed.

Commodity Credit Corporation, value of commodities distributed.⁹

Department of Commerce:

Bureau of Public Roads, construction:

Federal-aid highways (trust fund).

Other.

Grants for public facilities.

State marine schools.

Department of Defense.

Army:

Lease of flood control lands, shared revenues.

National Guard.

Civil Defense.

Funds appropriated to the President:

Disaster relief.

Accelerated public works program.

Department of Health, Education, and Welfare:

Office of Education:

Colleges of agriculture and the mechanic arts.

Cooperative vocational education.

Assistance for school construction.

Maintenance and operation of schools.

Library services.

Defense education activities.

Expansion of teaching in education of the mentally retarded.

Public Health Service:

Control of venereal diseases.

Control of tuberculosis.

Community health practice and research.

Mental health activities.

National Cancer Institute.

National Heart Institute.

Water supply and water pollution control.

Chronic diseases and health of the aged.

Radiological health.

Communicable disease activity.

Construction, hospital activities and health research facilities.

Construction, waste treatment works.

Welfare Administration.

Children's Bureau.

Maternal and child health services.

Services for crippled children.

Child welfare services.

Bureau of Family Services:

Old-age assistance.

Aid to dependent children.

⁶ As reported in the 1964 Annual Report of the Secretary of the Treasury.

⁷ Cash payments to States to increase consumption of fluid milk by children in non-profit schools; net of refunds.

⁸ Federal share of the value of food stamps redeemed under the pilot food stamp plan.

⁹ Cost of food commodities acquired through price-support operations.

Aid to the permanently and totally disabled.

Aid to the blind.

Aid to the aged, blind, or disabled.

Medical assistance for the aged.

American Printing House for the Blind.

Vocational Rehabilitation Administration.

Department of the Interior:

Federal aid in wildlife restoration and fish restoration and management.

Migratory Bird Conservation Act and Alaska game law, shared revenues.

Payments from receipts under Mineral Leasing Act, shared revenues.

Payments under certain special funds, shared revenues.

Bureau of Indian Affairs.

Department of Labor: Unemployment Compensation and Employment Service Administration (trust fund).

Federal Power Commission: Payments under Federal Power Act, shared revenues.

Federal Aviation Agency: Federal airport program.

Housing and Home Finance Agency:

Office of Administrator:

Low income housing demonstration programs.

Open space land grants.

Urban renewal program.

Urban planning assistance.

Public Housing Administration: Low-rent public housing program.

Small Business Administration: Grants for research and management counseling.

Tennessee Valley Authority: Shared revenues.

Veterans' Administration: State homes for disabled soldiers and sailors.

Miscellaneous grants.¹⁰

X. FEDERAL AID PAYMENTS TO INDIVIDUALS, ETC., WITHIN THE STATES ¹¹

Department of Agriculture:

Agricultural conservation program.

Sugar Act program.

Conservation reserve program.

Land-use adjustment program.

Great Plains conservation program.

Rural housing grants.

Department of Commerce: State marine schools (subsistence of cadets).

Department of Defense:

Army National Guard.

Air Force National Guard.

Civil defense.

Department of Health, Education, and Welfare:

Office of the Commissioner:

Cooperative research.

Assistance to refugees in the United States.

Juvenile delinquency and youth offenses.

Office of Education:

Educational improvement for the handicapped.

Foreign language training and area studies.

Defense educational activities.

Cooperative research.

Expansion of teaching in education of the mentally retarded.

Expansion of teaching in education for the deaf.

Educational television facilities.

Public Health Service:

Mental health activities.

Arthritis and metabolic disease activities.

Allergy and infectious disease activities.

Neurology and blindness activities.

Chronic disease and health of the aged.

National Cancer Institute.

National Heart Institute.

National Institute of Dental Research.

Community health practice and research.

Cancer research facilities.

Hospital and medical facility research.

General research and services.

General research support grants.

Nursing services and research.

Water supply and water pollution control.

Air pollution control.

Milk, food, interstate and community sanitation.

Occupational health.

Radiological health.

Accident prevention.

Hospital construction activities.

Construction of health research facilities.

Dental services and resources.

Communicable disease activities.

Child health and human development.

Environmental health sciences.

Welfare Administration:

Children's Bureau:

Services for crippled children.

Child welfare research and demonstration grants.

Child welfare training grants.

Other.

Bureau of Family Services: assistance for repatriated U.S. nationals.

Vocational Rehabilitation Administration:

Grants for special projects.

Training and traineeships.

Department of Labor:

Unemployment compensation for Federal employees and ex-servicemen.

Area Redevelopment Act.

Manpower development and training activities.

National Science Foundation:

Research grants awarded.

Fellowship awards.

Atomic Energy Commission: fellowships and assistance to schools.

Veterans' Administration:

Automobiles, etc., for disabled veterans.

Readjustment benefits and vocational rehabilitation.

It will be apparent from an examination of this list that, first, there is some inevitable duplication and, second, there are a number of the programs, particularly in section IX, "Federal Aid Payments to States and Local Units," where the subsidy element may widely be considered to be negligible. Sections IX and X, which list Federal-aid payments to States and local units, and Federal-aid payments to individuals within States, are taken directly from the 1964 Annual Report of the Secretary of the Treasury. Much of the health and education assistance indicated in section IX is of such broad and general benefit and does not involve payments to businesses or subsidies as commonly defined that it need not be of further concern in this report.

From this list a further problem suggests itself. It is in many cases impossible to determine the incidence of these subsidy and subsidy-like programs. The school lunch program subsidizes the farmer by helping cut back on farm surpluses, but clearly also subsidizes the recipients of this food and their parents. The second-class postage rates are far from covering the costs of carrying the magazines and newspapers within this class, but the benefit of the subsidy is shared among publishers, advertisers, subscribers, and other readers.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. WILLIAMS of Delaware. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has now been yielded back.

The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS] to the committee amendment in the nature of a substitute.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Maryland [Mr. TYDINGS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Oklahoma [Mr. MONRONEY], are necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. MONRONEY] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Vermont [Mr. AIKEN] and the Senator from Pennsylvania [Mr. SCOTT] are absent on official business.

The Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

If present and voting, the Senator from Utah [Mr. BENNETT] and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The result was announced—yeas 42, nays 50, as follows:

[No. 258 Leg.]

YEAS—42

Allott	Dominick	Mundt
Bartlett	Douglas	Nelson
Bayh	Gore	Neuberger
Bible	Gruening	Prouty
Boggs	Hartke	Proxmire
Brewster	Hickenlooper	Ribicoff
Burdick	Jackson	Robertson
Cannon	Jordan, Idaho	Russell, Ga.
Case	Lausche	Saltonstall
Church	McGovern	Simpson
Clark	McIntyre	Smith
Cotton	Miller	Williams, Del.
Curtis	Morton	Young, N. Dak.
Dodd	Moss	Young, Ohio

NAYS—50

Bass	Hruska	Morse
Byrd, Va.	Inouye	Murphy
Byrd, W. Va.	Javits	Muskie
Carlson	Jordan, N.C.	Pastore
Cooper	Kennedy, Mass.	Pearson
Dirksen	Kennedy, N.Y.	Pell
Eastland	Kuchel	Randolph
Ellender	Long, Mo.	Russell, S.C.
Ervin	Long, La.	Smathers
Fannin	Magnuson	Sparkman
Fong	Mansfield	Stennis
Fulbright	McClellan	Symington
Harris	McGee	Talmadge
Hart	McNamara	Thurmond
Hayden	Metcalf	Tower
Hill	Montdale	Yarborough
Holland	Montoya	

NOT VOTING—8

Aiken	McCarthy	Tydings
Anderson	Monroney	Williams, N.J.
Bennett	Scott	

So the amendment of Mr. WILLIAMS of Delaware to the committee amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. Mr. President, I have the honor to move to lay that motion on the table.

¹⁰ Includes transitional grants to Alaska, flood-control payment, open space land, low-income housing, Federal payment to District of Columbia, Center for Cultural and Technical Interchange between East and West, White House Conference on Aging, drainage of anthracite mines, loan program of the Bureau of Reclamation, land acquisition of National Capital Park, Parkway and Playground System, Internal Revenue collections for Puerto Rico (shared revenues).

¹¹ As reported in the 1964 Annual Report of the Secretary of the Treasury.

The motion to lay on the table was agreed to.

AMENDMENT NO. 436

Mr. JAVITS. Mr. President, I call up my amendment No. 436, on behalf of myself, the Senator from Delaware [Mr. Boggs], and the Senator from Texas [Mr. Tower].

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent to dispense with the reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed in the RECORD.

The amendment offered by the Senator from New York [Mr. JAVITS], on behalf of himself, the Senator from Delaware [Mr. Boggs], and the Senator from Texas [Mr. Tower], is as follows:

TITLE VIII—ESTABLISHMENT OF COMMISSION ON UNITED STATES FOOD AND FIBER POLICY

Declaration of policy and purpose

SEC. 801. It is hereby declared to be the policy of the Congress to promote the effective utilization of the agricultural production of the United States so that (1) the markets for United States agricultural commodities, insofar as possible, will be competitive in the markets for such commodities in the world, (2) the present and future requirements for such agricultural commodities in the United States and the world can be fully met, (3) the interests of taxpayers and consumers may be fairly safeguarded, and (4) the producers of agricultural commodities in the United States will receive a return on their investment and labor commensurate with their contribution to the national welfare. It is further declared to be the policy of the Congress to promote programs recognizing the necessity for consumers in this country to be assured an adequate supply of agricultural commodities of the best possible quality and at the lowest possible prices. It is, therefore, the purpose of this title to provide for a study and investigation of the Federal laws and programs pertaining to agriculture with a view to revising and modernizing such laws and programs in order to achieve the policies stated above, and to provide for a better coordinated national food and fiber policy.

Establishment of the Commission on United States Food and Fiber Policy

SEC. 802. In order to achieve the purpose set forth in section 1 of this joint resolution, there is hereby established a bipartisan commission to be known as the Commission on United States Food and Fiber Policy (hereinafter referred to as the "Commission").

Membership of the commission

SEC. 803. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of twelve members as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life.

(2) Four appointed by the President of the Senate, two from the Senate and two from private life.

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) POLITICAL AFFILIATION.—Of each class of two members mentioned in subsection (a), not more than one member shall be from each of the two major political parties.

(c) VACANCIES.—Vacancies in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

Organization of the commission

SEC. 204. The Commission shall elect a Chairman and a Vice Chairman from among its members.

Quorum

SEC. 805. Seven members of the Commission shall constitute a quorum.

Compensation of members of the commission

SEC. 806. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) MEMBERS FROM THE EXECUTIVE BRANCH.—Any member of the Commission who is in the executive branch of the Government shall receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary not exceeding \$22,500; and he shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of the duties vested in the Commission.

(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive not exceeding \$75 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

Staff of the Commission

SEC. 807. The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable in accordance with the provisions of the civil service laws and the Classification Act of 1949.

Expenses of the Commission

SEC. 808. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this joint resolution.

Expiration of the Commission

SEC. 809. Sixty days after the submission to Congress of the report provided for in section 10(b), the Commission shall cease to exist.

Duties of the Commission

SEC. 810. (a) INVESTMENT.—The Commission shall make a comprehensive study and investigation of all Federal laws and programs pertaining to agriculture, including all matters relating to the food and fiber policies of the United States and the effect of such policies on all segments of our society, with a view to revising and modernizing such laws and programs to achieve the aims set forth in section 701 of this title. In carrying out such study and investigation the Commission shall consider such matters relating to agriculture as it deems necessary or appropriate, but shall specifically consider, with regard to the various agricultural commodities produced in the various regions of the United States, (1) effectiveness of price support and production controls, including acreage allotments and production and marketing quotas, which may be in effect for such commodities, (2) the future requirements of the United States and the world for such commodities, (3) suitable uses for land which may not be needed at the present time for the production of such commodities, but which may be needed for such purpose

in the future, (4) methods for effectively coordinating domestic agricultural policies with the export opportunities for such commodities, (5) the effectiveness of our present policies in the use of food and fiber internationally and how such policies might be improved, (6) the problems of rural economic opportunity in the United States, (7) the national requirements for the stockpiling of agricultural commodities, (8) import and export policies of the United States with respect to food and fiber and the effect of such policies on the foreign policy of the United States, (9) methods of extending and expanding programs under the Agricultural Trade Development and Assistance Act of 1954, as amended, without adversely affecting commercial markets, and (10) the need for consolidating the activities of the United States Department of Agriculture with other Federal agencies on the development of rural resources. The Commission shall also give particular attention to the formulation of programs to facilitate the economic adjustment of agricultural producers who decide to transfer to other occupations. Such programs may include, but shall not be limited to, retraining programs, relocation allowances, assistance in obtaining alternative employment opportunities, early retirement, and provision for minimum compensation for land, dwellings, and equipment which such producers no longer want or need.

(b) REPORT.—The Commission shall make a report of its findings and recommendations to the Congress on or before February 1, 1967, and may submit interim reports prior thereto.

Powers of the Commission

SEC. 811. (a) (1) HEARINGS.—The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman or Vice Chairman, or any duly designated member, and may be served by any person designated by the Chairman, the Vice Chairman, or such member.

(2) In case of contumacy or refusal to obey a subpoena issued under paragraph (1) of this subsection, any district court of the United States or the United States court of any possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is being carried on or within the jurisdiction of which the person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Attorney General of the United States shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission or a subcommittee thereof, there to produce evidence if so ordered, or there to give testimony touching the matter under inquiry; and any failure to obey such order of the court may be punished by the court as a contempt thereof.

(b) OFFICIAL DATA.—Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this title.

Mr. JAVITS. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. HOLLAND. I wonder if the Senator from Louisiana will yield me 4 minutes on the bill.

Mr. ELLENDER. I yield.

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. JAVITS. I yielded myself time but if the Senator wishes to speak he may do so. I reserve my time.

Mr. HOLLAND. Mr. President, I voted "nay" today on every one of the recent amendments. I think they are wrong because the approach is wrong. It is so completely wrong to deal with these matters without sufficient hearings and in ignorance of the results that would be accomplished.

I believe it is wrong, after weeks of hearings and after weeks of effort in the Committee on Agriculture and to apply arbitrary limitations on the floor without there being any knowledge to supply to the Senate as to how they would apply to various commodities.

There has not been a single proposed amendment that excluded both of the deficit crops, wool and sugar, although the Senator from Florida suggested that course earlier during debate. The amendments proposed to exclude sugar but made no such provision for wool.

The Senator from Florida does not have to explain his position on agricultural legislation. He has been one of the cosponsors of the so-called Farm Bureau bills in every Congress for the past 8 or 10 years, along with the Senator from New Mexico [Mr. ANDERSON], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Vermont [Mr. AIKEN].

Everybody knows that those bills make a much more conservative approach to this entire program than existing law and everyone knows it is a much less expensive approach.

But I cannot make myself a party to this kind of attack on the floor of the Senate when we do not have the necessary information.

Senators offering amendments have not realized that along with the exemption of sugar, which has customarily been exempted, wool should have been placed on the same basis.

It seems to me that this is the wrong way to approach a problem affecting the most vital industry of our Nation.

I thank the Senator from New York for yielding.

Mr. JAVITS. Mr. President, I yield myself 10 minutes.

The purpose of the amendment is to seek the appointment by the President of a U.S. Commission on Food and Fiber Policy, whose function would be to consider every aspect of the farm policy which we are following with respect to the subjects of limitations on production, the effectiveness of price support programs, the conservation of land, and the reservations of land use, the problems of rural economic opportunities in the United States, national stockpile requirements, and the import and export policies of the United States with respect to food and fiber, including the food-for-

peace program. In short, it would include every aspect of the farm-price policy of the United States, with the purpose of relating one program to others in a final way, so that we may put our farm policy on a new and constructive road. The purpose of this Commission, is to reexamine the effectiveness of our Federal agricultural laws and programs and to conduct a thorough review of our national food and fiber policies in order to provide recommendations to the Congress for updating and improving them. This amendment takes the form of legislation which I previously introduced in the 87th Congress as Senate Joint Resolution 238, and with the Senator from Texas [Mr. TOWER] in the 88th Congress as Senate Joint Resolution 152, and in the 89th Congress as Senate Joint Resolution 20. The establishment of such a Commission is expressly called for in the President's farm message which he submitted to the Congress on February 4, 1965.

Similar legislation was introduced in both the 88th and 89th Congresses by the distinguished Senator from Delaware [Mr. BOGGS]. On January 16, 1964, the then senior Senator from Minnesota and now the Vice President introduced similar legislation and on March 2, 1964, introduced an amendment to this end to H.R. 6196, the wheat-cotton bill. I also introduced an amendment to H.R. 6196 to establish such a Commission and assurances were given at that time that consideration would be given to these proposals by the Agriculture Committee.

It is most important in this respect that I point out that this Commission is exactly what the President recommended in his farm message to the Congress of February 4, 1965. He called for the appointment of exactly such a commission for exactly this purpose. The President has not appointed the Commission since February 1965. It is our understanding that an Executive order has been prepared for this purpose for some time, but that no action has been taken on it as yet.

In any case, it is important that such a policy should be proceeded with. I should like to read into the RECORD at this point an excerpt from the President's message of February 4, 1965, in which he said:

COMMISSION ON U.S. FOOD AND FIBER POLICY

All Americans have shared in the fruits of an efficient agriculture. All Americans share also the problems we face in the farm economy and in rural America in the years ahead.

Accordingly, to assist in adapting our farm programs to the needs of tomorrow, and in making rural America a full partner in our national economic progress, I intend to conduct a fundamental examination of the entire agriculture policy of the United States. I will reorganize the National Agricultural Advisory Commission—which has made an invaluable contribution in years past—into a new Commission on Food and Fiber. It will be broadly representative of rural communities, consumers, producers, industry, government, and the public. I expect it to make a detailed study of our food and fiber policies and to bring additional viewpoints to bear on the place of rural America.

I point out that the National Agricultural Advisory Commission is a body

which has a very much more limited purpose. It is to deal with review of the policies and administration of farm programs within the jurisdiction of the U.S. Department of Agriculture, and is composed principally of farm representatives including some distinguished citizens like the former Secretary of Agriculture, Mr. Wickard. It does not presently serve the intended purpose which the President himself described as the intended function of the U.S. Food and Fiber Commission. That is why he said he would reorganize it. Proposed purposes of this new Commission are described in the amendment which is now pending before the Senate.

That an overall approach and review to the farm problem is vitally necessary is very clear from the fact that farms are becoming much bigger.

I have today voted to defeat amendments embodying arbitrary dollar limitations on farm loan and price support programs.

The business of trying to back up a deficient program and cover up by putting some overall dollar limitation on farm payments only permits the deficient program to continue to fester unimproved. So I consider it completely inconsistent with the policy that I think is best for the people of my State, 18 million strong, and therefore voted against those fixed-dollar limitations. What we need is a general review of all farm programs on existing Federal farm loan and payment programs. The President himself has recognized that.

In my judgment, there is powerful support for this approach in the Committee on Agriculture and Forestry itself. The Senator from Delaware [Mr. BOGGS], who has honored me by joining in offering the amendment, has written an extremely important set of individual views on this very bill. He says:

For example, we considered the farm bill without knowing how this country's tremendous production capacity can best be used in relation to the world's fast-expanding population.

The Senator from Delaware also said:

One of the miscellaneous sections of the bill provides for a study by the Department of Agriculture of the extent to which farm programs are of benefit to full-time commercial family farms. This is a good step as far as it goes, but agriculture includes much more than full-time family farms. We need to look at the whole picture.

The Senator from Delaware concludes as follows:

Unless we do devise an overall agriculture program I have grave fears that the representatives of the urban areas of our country will soon despair of priming the agricultural pump with money.

In my judgment, that is exactly what is bound to happen. As time goes on, this problem is bound to catch up with us, unless we have some basic policy which is different, because the situation now is totally different from the wartime policy. At that time, we wanted everybody kept on the farms to produce. Today, approximately one-third of the farm families are producing all the food and fiber we need, including healthy surpluses, as against production a little more

than a decade ago. Today, there are some 7 million families on the farm compared with 20 million at that time.

In addition, the country is becoming increasingly urbanized. A program of this character, backed up by the sound factual findings of a high-level commission, will be most beneficial.

Mr. TOWER. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield to the Senator from Texas.

Mr. TOWER. Does not the Senator believe that the vitality of a strong farm economy is highly important to the United States? Although we are now producing surpluses, is it not conceivable that with the anticipated growth in population in the not too distant future we shall need all the production capacity we now have plus additional capacity?

Mr. JAVITS. I agree that this may be entirely possible and that is what we ought to be looking forward to and anticipate.

I hold with the Senator from Vermont [Mr. AIKEN] that we can afford surpluses. They are the most powerful asset we have in this country. I am not afraid of the production of our factories; I am not afraid of the production of our farms. But let us produce intelligently and with a minimum of governmental intercession. There must be some governmental intercession in order to keep the farm economy vitally effective and stable. I thoroughly agree with that. But we have not taken an overall look at the system by an independent Federal comprehensive study. The amendment which is sponsored by the Senator from Delaware [Mr. BOGGS], the Senator from Texas [Mr. TOWER] and myself is designed to provide authority for such a Federal review. The President himself agrees with us, as is evident from his farm message.

This is like the situation in the Gilbert and Sullivan opera "The Pirates of Penzance." The police are supposed to go and catch the pirates. They say, "We must go; we must go."

But the fact is that they do not go.

The President says, "You must go"; and the general opinion is, "You must review the program from the ground up."

But no action has been taken yet on this important problem.

There is no Senator for whom I have higher regard than the manager of the bill, the distinguished Senator from Louisiana [Mr. ELLENDER]. I am sure all Senators agree with me. But the bill leaves no alternative. We have been trying to stimulate interest in this necessary review of agricultural policy for a considerable time, in fact since 1962. On March 4, 1964, former Senator Keating, of New York, and I sponsored a similar amendment. At that time I said:

I ask the chairman of the committee whether, in pursuance of his usual generous practice, he feels that he could provide for a hearing on these measures—my own, introduced with my colleagues and measures introduced by the Senator from Delaware [Mr. BOGGS] and the Senator from Minnesota [Mr. HUMPHREY]—

Who is now the Vice President of the United States—

at some appropriate time which would fit in with the other work of the committee.

Mr. ELLENDER. I can give that assurance, provided the hearings on the measures referred can fit in with the other work of the committee; and I understand that is the course contemplated.

Mr. JAVITS. Exactly so.

Mr. President, we have not had a hearing since then. I am not in any way complaining about individual action. The committee chairman is a dear friend. We esteem him highly. But the fact is that we still have not had an opportunity to consider the question.

Mr. TOWER. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. TOWER. I am happy to join with the Senator in offering the amendment. I have sponsored similar legislation in the past. We are not indulging in preconceived notions about what should or must be done by this legislation. We are only asking for a comprehensive, non-partisan study that will help to remove the farm problem from politics, so that we can reach to realistic solution and, hopefully, restore the farm program to market regulation.

Mr. JAVITS. I thoroughly agree with the Senator from Texas.

Mr. AIKEN. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I am pleased to yield to the Senator from Vermont.

Mr. AIKEN. The Senator from New York has brought up an important matter. I am happy to support his efforts. I am not so sure whether the policy is as I would propose it, but certainly the idea is excellent.

I realize the President intended to do this, as he said so a long time ago, but it has not yet been done. So I shall support the amendment of the Senator from New York, who is a devoted public servant.

Mr. JAVITS. I cannot tell the Senator from Vermont how much appreciated his words of support are. I know that the Senator from Delaware [Mr. BOGGS] and the Senator from Texas [Mr. TOWER] agree with me when I say that the Senator from Vermont is an outstanding expert on farm policy. So it is extremely gratifying that he should think so well of these efforts.

Mr. BOGGS. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BOGGS. I thank the distinguished Senator from New York and also the distinguished junior Senator from Texas [Mr. TOWER] for their interest in this important, basic subject.

I consider it a high honor and privilege to serve as a member of the Committee on Agriculture and Forestry. My association with the members of the committee is most pleasant. I hold every one of them in high esteem. It is a distinct privilege to work with our distinguished and able chairman, the Senator from Louisiana [Mr. ELLENDER].

But my experience on this committee in the past 4 years has led me to believe more and more, every day, that a study of the overall agricultural program in depth and detail is essential if we are eventually to devise an agricultural

policy that will serve not only the hopes and ambitions of the agricultural population, but will best serve and strengthen our whole economy and our national objectives.

We have been trying a variety of farm programs for many years now, and the result always seems to be the same. The efficiency and hard work of our farmers outstrips the programs, and the surpluses and costs remain too high.

Again this year we have a farm bill which attempts to patch up the leaks in the dike holding back the surpluses, but I do not have much hope that these patches will surpass the productivity of the farmer.

Instead of stumbling on year after year it appears to me to be essential that we take a long look at agriculture. We need to devise a policy which looks ahead as far as possible and takes into account the well-being of the farmer, the needs of the consumer, the health of our economy, and the strength of the Nation's domestic and foreign policies.

Because mechanization and automation are changing the farming industry drastically, it is essential to the continued success of American agriculture that this Nation develop and follow a sound and comprehensive policy for agriculture.

As matters stand, each crop is considered largely on its own. Too little attention is given to the interdependence of crops, and the vital role farming plays in the Nation's overall economy. As has been pointed out before on this floor, farming is the largest single industry in the Nation. Not only are we all dependent on it for our daily bread, but it is the largest single cog in our industrial machine.

The 12-member commission provided for in Sen. JAVITS' bill would represent a cross-section of informed citizens. Its recommendations would serve as a basis for taking a fresh look at our agricultural problems, and hopefully, at the same time, these recommendations would contain ideas for making better use of our tremendous ability to produce food and fiber.

Mr. President, nearly 2 years ago I introduced a bill calling for a Hoover-type commission to study the Nation's agriculture. No action was taken on this proposal. I am very happy now to join the senior Senator from New York in cosponsoring his amendment which I sincerely believe is needed if we are to begin to solve our agricultural problems.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. I yield myself an additional 5 minutes.

Mr. BOGGS. Mr. President, this study is as basic, essential, and necessary for the good of our economy and for the good of every aspect of our national life as anything that I know of.

I hope this amendment will be accepted. I am very proud to be associated with the distinguished senior Senator from New York [Mr. JAVITS] and the distinguished Senator from Texas [Mr. TOWER] in offering this amendment for the consideration of the Senate.

Mr. JAVITS. Mr. President, I point out that I am especially gratified to join with my two colleagues in offering this amendment. We are on the minority side, 2 to 1. I believe that the challenge to us is to make affirmative, positive, and constructive contributions to the welfare of the country.

It seems to me that when we propose a measure of this kind to take cognizance at last of the things that have happened in the agricultural field and relate them, one to another, and to take cognizance of the shift of population from the farms to the cities and the shift of people from the farm to even the rural nonfarm areas, and to suggest, as this proposal suggests, a practical way in which to develop a new policy more intelligently adapted to the needs of the farmers and to the needs of the country which may be adopted by the Nation, we are performing a true and meaningful function of the minority.

I am gratified to be associated with my two colleagues in this endeavor. I point out one thing which I believe is very important. The question relates to what is being done now along this line. There is very good evidence that the Commission which we are suggesting is badly needed.

I am gratified to see that the distinguished Senator from Vermont [Mr. Aiken] supports this proposal. I say in answer to the statement of the Senator from Vermont that, as to the composition of the Commission, there would be 12 members, 4 appointed by the President, 2 from the executive branch of the Government and 2 from private life; there would be 4 appointed by the President of the Senate, 2 from the Senate and 2 from private life; there would be 4 appointed by the Speaker of the House of Representatives, 2 from the House of Representatives and 2 from private life. The Commission members would be from both political parties, equally represented.

If that is not the right way to do it, it can be easily dealt with in conference. That is not the main thrust of what we are debating. This work should be undertaken. It is not being done.

The President himself recognized that in calling for such a Commission in February of 1965. That is the most conclusive evidence. The President called for exactly what we are seeking now.

I have already pointed out that the National Agricultural Advisory Commission, which was organized by Executive order on July 20, 1953, and recognized by another Executive order on May 5, 1961, is devoted to advising the Secretary on the programs which are now underway in agriculture. This does not take a complete look at the entire existing and future agricultural picture of shifts in population, new methods of production the domestic and the foreign responsibilities, and how the programs have worked out.

The National Advisory Commission, composed of 25 members, is concerned with the internal operations of the Department of Agriculture and advising concerning such problems. That is fine. However, it does not approach the performance of the job which the President

says needs to be done, and which this amendment seeks to set up a commission to do.

There is a National Commission on Food Marketing by virtue of a law adopted on July 3, 1964. That law deals with machinery for study of the marketing structure of the food industry. That is a specialized application and is very desirable in its way and is entirely worthy of support. However, it is not getting to the basic job of trying to build a basic farm program to meet the needs of the country.

This amendment is the only proposal for that, other than the proposal made by the President, which can be implemented by the proposal contained in this amendment.

Our proposal does not conflict with or invalidate anything in the farm bill. It does not knock anything out. It only tries to place us, in a national way, by the use of the best brains we can muster, on a new and better road. Who would not agree that there is a new and better road and that it is high time that we start to seek it? The President himself has affirmed this.

Mr. BOGGS. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BOGGS. Mr. President, one of our needs is for a fuller and better understanding of the farmers' problem, the agricultural problem.

I cannot think of a better way to get across to the entire country a fuller appreciation of the dependence which all of us have on agriculture than to have a careful and full study such as this made.

Mr. JAVITS. Mr. President, I am grateful to my colleague whose views, as expressed in the report, were highly persuasive and very important in what we are seeking to do.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. MONTROYA in the chair). Who yields time?

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 5 minutes.

Mr. MANSFIELD. Mr. President, the amendment offered by the distinguished Senator from New York [Mr. JAVITS], cosponsored by the distinguished Senator from Delaware [Mr. Boggs], and the distinguished Senator from Texas [Mr. Tower] is most interesting because at the present time the President has on his desk an Executive order which would establish a President's Committee on Food and Fiber, a National Advisory Commission on Food and Fiber.

It is my understanding that the President intends to issue an Executive order shortly to establish this National Advisory Commission on Food and Fiber. The National Advisory Commission on Food and Fiber would be composed of 25 members appointed by the President. The President would designate the Chairman of the Commission from among its members.

It is my understanding that the mem-

bers of the Commission have been selected and cleared and that the President has decided on a Chairman. The Commission would have a number of functions, including the following:

First, the making of a comprehensive study and appraisal of the current economic situation and trends in American farming, including productivity, costs, prices, incomes, farm employment, labor standards, foreign trade, and related matters.

Second, evaluating current farm policies of the Federal Government as they bear upon the welfare of farmers, workers, consumers, and taxpayers upon the stability, growth, and efficiency of American economy and upon our foreign relations.

Third, exploring and evaluating alternative policies available to American agriculture and to the Federal Government.

Fourth, developing such recommendations for action by the Government or private enterprise as it deems appropriate.

The Commission would submit its final report and recommendations not later than 18 months after the date of its first meeting, and could make any interim reports which it deemed would expedite the work of the President's Committee on Food and Fiber.

In view of the proposed President's Commission and the fact that it would be in operation shortly, and because the Commission would have a great deal of flexibility, it would be my feeling that we should not pass the pending amendment, but rather allow the President to go ahead with the filing of his Executive order at an appropriate time so that this work which the distinguished Senators would want to see done can be done more expeditiously.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield to the Senator from New York.

Mr. JAVITS. I say with a smile that I had a similar experience with the President on the National Advisory Council on the Arts. The very morning on which I asked for the prompt announcement of the appointment of the Council the witness before us in the Labor Committee announced that the President that day, was going to appoint a commissioner to work with the administration. So I am not unfamiliar with the alacrity with which the President can act when he wants to.

Mr. MANSFIELD. While I cannot give the distinguished Senator that much in the way of specific information, I can say that the matter has been on the President's desk and has been waiting for an appropriate time to make the announcement, which I think will be forthcoming within a month.

Mr. JAVITS. Within the month? Within September?

Mr. MANSFIELD. I would think within September.

Mr. JAVITS. Could the Senator give us one further word of assurance? I have been consulting with my colleagues on this matter. Does the Senator know

whether the President would contemplate a bipartisan commission?

Mr. MANSFIELD. I cannot speak for the President in that respect, but on the basis of his appointments heretofore, I would say that to my mind there would be no question that any commission created would be bipartisan.

As far as the distinguished Senator from Louisiana [Mr. Long], the distinguished ranking minority member, whom I am glad to see on the floor at the moment, and I are concerned, we would all urge upon the President that this be done, although I do not think such urging would be necessary, especially in view of the question just raised.

Mr. JAVITS. One other question, if the Senator will allow me—my colleagues may have some further questions—is whether or not this could be a Hoover-type commission, so that Members of Congress might be named upon it. The Senator may have some ideas as to the disposition of the President in that respect.

Mr. MANSFIELD. That I cannot say. But in view of the fact that there is a somewhat similar commission operating at the present time on the domestic basis—I believe it is called the Food and Marketing Commission—which does include Members of Congress, I suppose that this commission likewise would include Members of Congress on a bipartisan basis.

Mr. JAVITS. Could we hope, then, that Senator MANSFIELD, Senator ELLENDER, and Senator AIKEN, if they feel that way, as they obviously do, on the bipartisan point, would lend their influence toward that end, so that this might truly be, generally speaking, a very authoritative, Hoover-type commission?

Mr. MANSFIELD. Does the Senator from Louisiana, the chairman of the committee, care to make a comment?

Mr. ELLENDER. Mr. President, I hesitate to comment about what ought to be done. The Senator from New York knows my position on all the commissions and subcommittees that have been created in the past and have spent a great deal of money, but got nowhere.

If the President desires to create such a commission as the Senator from Montana has stated, of course I would have no objection.

But I say to my good friend that before we went into the hearings on the bill that we are now discussing, I wrote to every agricultural college in the country for advice. We have stacks of correspondence and data that we obtained before we went to the hearings, and I think the Committee on Agriculture and Forestry—

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ELLENDER. I yield myself 5 minutes on the bill.

We have stacks of information now that the committee has studied, and as the Senator knows, a commission was created on food marketing, to study the food industry from the processor to the consumer. I, of course, opposed it as I did others in the past, because I do not

believe we would get data sufficient to enact any legislation to change our pattern. I wish to add that in my judgment, the commission which is now at work could do a good deal of the work that is proposed in the Senator's proposal.

As I have stated, I am opposed to it. If the President desires, by Executive order, to create a commission to make a study, I certainly will not interfere. But I doubt that anything more can be done than has already been accomplished by the committees.

Mr. JAVITS. Mr. President, may I ask the distinguished majority leader whether he personally thinks well of the idea of having some congressional representation?

Mr. MANSFIELD. I think it has a great deal of merit. However, I do not believe we should infringe upon the President's responsibility and prerogatives.

I know that the Senator from New York is well aware of the line which divides us, but I am sure the President, based on his experience in both Houses, would not be at all adverse to that; and so far as I am concerned, as majority leader I should certainly recommend that he give it due consideration.

Mr. JAVITS. May I suggest to the distinguished majority leader, so that I may have time to consult with my colleagues, that there be a quorum call, with the time charged against the bill? I make that request.

Mr. MANSFIELD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield 10 minutes to the Senator from Texas.

Mr. TOWER. Mr. President, this is a most important amendment. For several years now I have joined in sponsoring legislation calling for creation of a nonpartisan commission of experts to examine the entire American farm problem and the governmental policies involved.

In the last session I was pleased to cosponsor with the Senator from New York [Mr. JAVITS] a resolution that would create just such a commission. This session, we again introduced the plan as Senate Joint Resolution 20.

I was glad to see earlier this year that the President had endorsed the idea in his original farm message to the Congress.

We simply must, in my opinion, conduct nonpartisan studies into the problems of our farms, and act upon the findings of those studies in a nonpartisan manner.

We never will achieve any real attack on farm problems unless we get politics out of agriculture. Farm lands are

worked by men and women of all parties. Those American farmers deserve better than the political manipulation they have gotten in the past.

We have created a patchwork of laws, often temporary expedients adopted to meet crises of varying degrees and kinds. Our farm laws, because they too frequently conflict with economic principles, have become the progenitors and perpetuators of our current farm problem. The farm programs have become a part of the problem.

American agriculture has passed and is passing through a period of vast and rapid change. No longer are our farms characterized by man-and-mule operation. As recently as 1940, 1 farmworker supplied 11 people with food and fiber. In 1961, 1 farmworker supplied the needs of 26 people. Productivity per man-hour in the past 10 years has increased 80 percent in agriculture, compared with 25 percent in industry. About twice as much capital is invested per worker in agriculture as in industry.

Technological change in agriculture has not reached any end point. There are some signs that the agricultural revolution is even accelerating. Technological change is remaking American agriculture at a pace unprecedented in human history.

Farm programs are necessarily based upon prices, practices, production, yields, and marketing of the past. But the past never fits the future. Farm programs try vainly to prevent change. To the extent they are able to delay change, they create new problems. Controls have bred many of the problems with which farmers are now confronted.

One of the inescapable results of the farm programs as they have operated is that they have held an umbrella over the world price, have encouraged expansion of competitive production in other countries. Actually, this problem would have been more crucial than it has been, except for the political turmoil and uneconomic practices of governments in other countries which has interfered with their normal growth and productive development.

A second inescapable result of price fixing is the development of substitutes. Ask any informed cotton man what price support programs for cotton at too high levels have done to substitute synthetics for cotton in Europe and in the United States. Markets once lost are hard, often impossible to regain.

Controls cannot be imposed on one crop without affecting others. Land idled by a control program for one crop is likely to be used to produce other crops. Much of the land taken out of cotton and wheat production, for example, has been shifted to feed grains with the result that there is currently a surplus of feed grains.

The economist speaks of the inelasticity of demand for farm products. By this he means that consumption does not change very much when price is lowered. Therefore, a small excess of production results in a major change in price. This is most clearly illustrated by the case

of tobacco. Consumption of tobacco appears to be virtually independently of change in price. Therefore, a small surplus of tobacco, in the absence of price supports, would result in a drastic reduction in the price of tobacco.

Acreage controls and price supports cannot provide an adequate income for a farm family with an acreage allotment too small for efficient and modern farming practices. A farm family with inadequate land resources cannot hope to increase its income from agriculture materially unless it is able to enlarge its operations so as to permit the adoption of modern technology. The rigidities of farm support and control programs are an abstacle to such progress.

The efficient farm, small, or large, is penalized by controls. Costs for many farm operations are about the same, even if acreage is reduced. Controls, therefore, increase unit costs. Efficient farmers, who could profitably produce for export and domestic markets at a particular price, are foreclosed from producing for such markets if the price is raised to a level resulting in the loss or reduction of such markets.

During the emergency of the depression of the 1930's, many measures were taken to alleviate desperately critical situations, including price support, and production controls for a number of farm commodities. I am not inclined to be critical of everything that was done in New Deal Days although I have criticized most things that were done in the New Deal days. Desperate situations sometimes warrant desperate remedies. But it does not follow that what may have been desirable, or at least warranted during the dark days of the depression is necessarily the desirable approach to the problem under different circumstances. In fact, I am sure it is not. Amazing as it may appear, some of the congressional debate of the farm problem still harks back to the depression years. The argument is still made that if it was good then, it is good now. It is even suggested that all that keeps agriculture out of the conditions that existed in 1930-33 are the Government farm programs. This is ridiculous when it is recalled that only some 22 percent of U.S. farm production has been subject to production control programs. Actually, the most prosperous part of American agriculture has been that part not involved with controls and price supports.

To continue down the road of controls and high, artificial price supports is to court disaster.

The choice confronting us is clear. One is based on Government intervention and control, the other on a farmer's freedom to farm; one on a Government market, the other on a free market; one on dependence on Federal appropriations for farm income, the other on consumer demand.

For all these reasons, Mr. President, I hope we can adopt this farseeing amendment in an attempt to remove politics from agriculture and to permit dispassionate, reasoned study of where we are in the farm economy, how we got there and what best we can do to get ourselves out of the current confusion.

I urge adoption of this amendment to create a nonpartisan commission to study agriculture problems. I believe the amendment is fully consistent with stated desires of the White House, represented by one party, and I know it is consistent with the desires of those on this side of the aisle, representing the other party.

It is time for the parties to join in a nonpartisan approach to farm problems. The commission provided by the amendment would enable us to do just that.

I should like to note further that one of the first measures I introduced during my first year in the Senate was a measure calling for a study, by the Secretary of Agriculture, comparable to that now proposed.

I believe the approach of having a commission of experts, nonpartisan in character, to study the matter, as proposed by this amendment, is far better. I believe it would result in a more comprehensive and objective study. The principle is a good one. Such a study is long overdue, and is needed from every angle.

In any study, it should be kept in mind that we must maintain a strong, viable agricultural economy, because the time will come when, instead of producing too much for our people to consume, we shall be producing perhaps too little, by reason of the growth in population and reduction in the amount of land available for cultivation and pasturage.

All these things must be taken into consideration. We must have in mind long-range solutions, and not merely transient, temporary, politically oriented solutions that turn out not to be solutions at all. The idea, in principle, is good, and I think it is one that should be voted upon. Should it fail of agreement at this time, we should probably pursue the matter further, unless the administration comes forth with a program that meets the objectives of the amendment offered by the distinguished senior Senator from New York.

Mr. JAVITS. Mr. President, I yield myself 2 minutes.

I have consulted with my colleagues and with our distinguished ranking Member, the Senator from Vermont [Mr. AIKEN]. It seems to us that we have every right to expect that the proposed Commission would be promptly appointed, and that the composition would include the element of bipartisanship in a significant way, and the element of congressional representation, so that we may have a Hoover-type commission with great responsibility.

Congress will be in session, apparently, for 3 or 4 more weeks, and we feel, after assessing our collective judgment, that under the circumstances, in deference to the dignity of the Presidency and the dignity of the Congress, we should at this time withdraw our amendment, to give the President an opportunity to take the action which he says he is going to take. But I do it, in all fairness I should state to the Senate, for myself and my co-sponsors, with the thought that if we do not arrive at a fruition of the idea, as now seems to be assured, before Congress adjourns, we reserve the right, on a fu-

ture bill, to again propose an amendment of this character; and we serve such notice, so that no one will accuse us of trying to block or obstruct anything at a later date.

I have every confidence, and my co-sponsors feel the same way, as I believe the Senator from Vermont [Mr. AIKEN] does, that the Commission will be appointed as scheduled. I make the reservation on behalf of all of us only as a matter of prudence and not as a matter of doubt.

Therefore, if it is satisfactory to the majority leader and the Senator in charge of the bill, I ask unanimous consent to withdraw the amendment, and that the order for the yeas and nays be revoked.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn; and the order for the yeas and nays is revoked.

OBSTRUCTION OF PERFORMANCE OF DUTY BY THE ARMED FORCES BY OBSTRUCTION OF TRANSPORTATION OR PERSONNEL OR PROPERTY THEREOF

Mr. LAUSCHE. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Ohio on the bill.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 2 minutes.

Mr. LAUSCHE. Mr. President, several days ago, I introduced a bill, S. 2482, which would make it a crime for any person to purposely and willfully obstruct by physical force the movement of troops, military equipment, and military property of the United States. The bill would give authority for the imposition of a severe penalty, graduated down to practically nothing, giving discretion as to the severity of the penalty to be imposed.

Any person who willfully and purposely, by resort to force, interferes with the movement of troops, military equipment, or military property, would be guilty of a crime against the dignity of the United States.

Mr. President, I ask unanimous consent that the names of the Senator from Florida [Mr. HOLLAND], the Senator from Delaware [Mr. WILLIAMS], the Senator from Wyoming [Mr. SIMPSON], the Senator from North Carolina [Mr. ERVIN], the Senator from Colorado [Mr. DOMINICK], the Senator from Connecticut [Mr. DOBB], and the Senator from Nevada [Mr. CANNON] be added as co-sponsors to the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Let me point out the significance of the bill. Reports are coming out of California concerning a mass movement of sit-downers for some time in October to interfere openly with the free movement of military equipment.

In my judgment, the bill is needed.

I asked the experts of the Justice Department to examine the law to determine whether there is any criminal pro-

hibition now in existence. I was told that there is not.

Mr. President, I yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, returned to the Senate the amendment of the Senate, in the nature of a substitute, to the bill (H.R. 3157) to amend the Railroad Retirement Act of 1937 to eliminate the provisions which reduce the annuities of the spouses of retired employees by the amount of certain monthly benefits, and transmitted the resolution of the House thereon.

The message announced that the House insisted upon its amendments to the bill (S. 1588) to authorize the Secretary of Commerce to undertake research, development, and demonstrations in high-speed ground transportation, and for other purposes, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HARRIS, Mr. STAGGERS, Mr. FRIEDEL, Mr. JARMAN, Mr. PICKLE, Mr. RONAN, Mr. WILLIAMS, Mr. SPRINGER, Mr. DEVINE, Mr. CUNNINGHAM, and Mr. WATSON were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 10014) to amend the act of July 2, 1954, relating to office space in the districts of Members of the House of Representatives.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President, with the exception of House bill 8469:

- S. 76. An act for the relief of Anna Maria Heiland;
- S. 135. An act for the relief of Elizabeth Kam Oi Hu;
- S. 136. An act for the relief of Angel Lagmay;
- S. 192. An act for the relief of Maria Liberty Burnett;
- S. 440. An act for the relief of Jose L. Rodriguez;
- S. 454. An act for the relief of Lee Hyang Na;
- S. 517. An act for the relief of John William Daugherty, Jr.;
- S. 521. An act for the relief of Maria Gioconda Femia;
- S. 573. An act for the relief of Dr. Sedat M. Ayata;
- S. 584. An act for the relief of Ming Chup Chau;
- S. 586. An act for the relief of Maria Tsillis;
- S. 614. An act for the relief of Evangella Moshou Kantas;
- S. 653. An act for the relief of George Palouras (Georgios Palouras);
- S. 703. An act for the relief of Kimie Okamoto Addington;
- S. 828. An act for the relief of Cha Mi Hi;
- S. 853. An act for the relief of Charles N. Legarde and his wife, Beatrice E. Legarde;
- S. 861. An act for the relief of Alva Arlington Garnes;
- S. 879. An act for the relief of Kim Sa Suk;
- S. 971. An act for the relief of Mrs. Elena Guira;

S. 1084. An act for the relief of Shu Hsien Chang;

S. 1170. An act for the relief of Chung J. Clark;

S. 1186. An act for the relief of Kris Ann Larsen;

S. 1209. An act for the relief of Specialist Manuel D. Racelis;

S. 1736. An act for the relief of Jennifer Ellen Johnson Moj dara;

S. 1919. An act for the relief of Laura MacArthur Goditlabois-Deacon;

H.R. 725. An act to clarify the responsibility for marking of obstructions in navigable waters;

H.R. 727. An act to provide for the administration of the Coast Guard Band;

H.R. 1402. An act for the relief of Dr. Jorge Rosendo Barahona;

H.R. 1832. An act for the relief of M. Sgt. Richard G. Smith, U.S. Air Force, retired;

H.R. 2305. An act for the relief of Zenaida Quijano Lazaro;

H.R. 3039. An act to amend section 1006 of title 37, United States Code, to authorize the Secretary concerned, under certain conditions, to make payment of pay and allowances to members of an armed force under his jurisdiction before the end of the pay period for which such payment is due;

H.R. 6431. An act to amend the Tariff Act of 1930 to provide that certain forms of nickel be admitted free of duty;

H.R. 7779. An act to provide for the retirement of enlisted members of the Coast Guard Reserve;

H.R. 8027. An act to provide assistance in training State and local law enforcement officers and other personnel, and in improving capabilities, techniques, and practices in State and local law enforcement and prevention and control of crime, and for other purposes;

H.R. 8333. An act to amend title 10, United States Code, to provide for the establishment of a program of cash awards for suggestions, inventions, or scientific achievements by members of the Armed Forces which contribute to the efficiency, economy, or other improvement of Government operations;

H.R. 8469. An act to provide certain increases in annuities payable from the civil service retirement and disability fund, and for other purposes;

H.R. 10586. An act making supplemental appropriations for the Departments of Labor, and Health, Education, and Welfare for the fiscal year ending June 30, 1966, and for other purposes; and

H.R. 10775. An act to authorize certain construction at military installations, and for other purposes.

FOOD AND AGRICULTURE ACT OF 1965

The Senate resumed the consideration of the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Mr. MAGNUSON obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield, without losing his right to the floor?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MANSFIELD. On the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section as follows:

SEC. 707. Section 301 (a) (8) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(8) The term 'person' means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any agency of a State or Federal Government; and in the case of any State in which lands granted to such State by the Federal Government or owned by the Federal Government are under lease. The Federal Government and such State shall be considered as a separate 'person' with respect to each farm unit in which it has an interest."

Mr. MAGNUSON. Mr. President, I have discussed this amendment with several Senators, including the distinguished chairman of the Committee on Agriculture and Forestry. If the amendment is what I understand it to be, the language would take care of a situation that is present not only in my State, but also in other States, including Kansas—and I believe the Senator from Kansas has an amendment thereon. It is an amendment that should be taken to conference, and if the particular language we have suggested is not satisfactory, the language could be modified to take care of the situation.

Mr. President, I do not propose this amendment myself. It comes as a result of an actual situation in my State and other States in the Union.

I wish the RECORD to be made clear that what we are trying to do is to correct what we believe to be a bad situation.

The Washington State Department of Natural Resources, which is comparable to State commissions in other States having to do with the development of resources, manages approximately 130,000 acres of State-owned cropland on a share-crop basis. There are 481 share-crop leases in 16 counties. The State's share of the revenue helps to support State public schools. The same situation applies to the timber land which we use to support our State schools. But there are 130,000 acres which are suitable for small grain production, mainly wheat.

The State director, Mr. Bert L. Cole, has sent me communications on this subject, and I have talked with him on the telephone concerning it. His problem is real. He states that:

Due to certain provisions of the 1938 Agricultural Adjustment Act, set forth in Agricultural Handbook 192, State of Washington, educational funds may lose as much as 30 percent of the revenue from the 1965 crop.

This is the reason why:

As the regulation now stands, the Department of Natural Resources falls under a

definition of a single "person" for purposes of determining compliance or noncompliance with the Federal farm wheat allotment or cereal grain program. What this means is that if 99 percent of our lessees comply with the Federal programs and 1 percent fails to comply, the State and all its lessees are not eligible for Federal crop diversion payments. This is true even if the 1 percent failed to comply through a misunderstanding, or because of other circumstances.

For example—

And this happens all the time in my State, particularly on the eastern side, in the mountain area where much of this land is located—

perhaps land left standing in 1964 has "volunteered."

Mr. President, this is an agricultural term with which I am not familiar, but this is what the Department says:

This term means that scattered seeds from a previous crop may take root and grow spontaneously. When this occurs, the ACSC's current ruling is that the farmer is growing wheat on normal conserving areas. Some county provisions allow farmers to leave wheat standing on diverted acreage as a soil conservation measure, and this wheat in some cases has "volunteered." One case of this happening can result in a ruling of noncompliance so that the entire State—

The 130,000 acres presently leased by the State—

is ineligible for crop payments on any of its leased crop land.

As far as can be determined, the degree of noncompliance yields in these 340 wheat farm leases this year is about 1 percent, as stated in the second letter.

The percentage on other cereal grain leases may, says the director, run a little higher, since guidelines for the program were not laid down until after part of the 1965 crop had been planted.

Much of it is winter wheat, planted in the fall, for the programs were not laid down until after part of the 1965 crop had been planted.

In essence, the present regulation penalizes 99 lessees for every one who fails to comply, even unknowingly. No State lessee can receive diversion payments if one State lessee fails to comply. The rules could even be interpreted so that a farmer who leases part of his land from the State is ineligible for diversion payments on any of his farm acreage, even though he had complied fully with the Federal program.

It has always been the policy of the department of natural resources to encourage and virtually insist on compliance by lessees with Federal farm program regulations. The State regards it as a sort of moral obligation in the interest of controlling farm surpluses and maintaining stability in our farm economy.

The exemption is very specific, and it would in no way alter efforts to obtain as complete compliance as possible. I also want to point out that individual State lessees who do not comply would still be ineligible for Federal diversion payments.

I urge the committee to give serious consideration to this proposal. It appears that the loss to the Washington State education trust funds for the 1965 harvest could be as high as \$125,000 to \$150,000.

From reading an explanation of the situation, and based on a letter as recent as July pointing out the whole situation, and by virtue of the experience in 130,000 acres in previous years, it seems to me this is a good amendment. It would clear up a matter which may be peculiar only to the State of Washington. I understand there are other States where the same situation occurs in Federal lands, which may be leased grazing lands. I see present the Senator from Oregon [Mrs. NEUBERGER]. I am sure there are some such lands in eastern Oregon.

All that is attempted is to make the law uniform, so that State funds, or even Federal funds from Federal lands, will not be lost. The money goes to schools. No one gets any profit from it.

I do not know what is wrong with it, but the distinguished chairman of the committee said he had checked with the Department and the Department had some objection to it. I cannot find any real reason in my mind why the Department should object. The situation exists. I have referred to language from the Legislative Reference Service of the Library of Congress. Those involved have suggested this amendment. I hope the committee will accept the amendment and take it to conference. Perhaps the conferees will want to change the language, but this was the language that was presented to me.

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

As the Senator from Washington stated, this amendment was submitted to me last week. I told him I would take the matter up at the time, in an effort to try to devise appropriate language. But the Department is opposed to this amendment, as I was when it was first presented to me. Both Federal and State land are involved. We are having trouble now with surpluses under the law as it now stands. If an individual or corporation owns, let us say, 10,000 acres of land, and the individual or corporation should lease those 10,000 acres of land to 20 tenants, it would be necessary for all to comply with the program if anyone of them were to receive the benefits of the program. The law does not permit some to comply and others not. That is the law now. The amendment would place the State and Federal Government in a preferential position which would not apply to the individual. I do not believe that is right.

A little later I should like to read into the Record the objections stated by the Department. I think they are valid ones. Under the existing law, in the event it can be found that an error was made by a tenant, or he did something he did not mean to do, the Department has the right to adjust any deficiencies that may have been made, or for any overplanting that may have been made, and in many instances, the Department does just that.

There was mentioned by the Senator from Washington a case in Kansas in which a widow who had inherited a farm subsequently married another farmer who had land of his own. Since, after the marriage, these two farms under the law were to be considered as one, in order to obtain benefits from the program, it

was necessary that both the husband and wife comply with the law. If one did not, it meant there would be no benefits. And this did occur. But under the authority that was vested in the Department of Agriculture, as the Senator from Kansas stated last week, the matter was adjusted. A good case was made by the farmer and his wife.

There is now authority for the Department to adjust cases in which there has been error or in which ignorance may have resulted in violations.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. It was adjusted for 1 year.

Mr. ELLENDER. That is correct.

Mr. CARLSON. But this farmer was assured that he could not continue this type of operation.

That is the point I want clarified. That situation is different from the one stated by the Senator from Washington. I do not want to become involved in this. The situation is as the chairman mentioned.

One farmer had been farming, and they had to get farms in compliance. There was the case of a young man, who had been farming for 6 years. His farm was not in compliance. They forced his father to go in compliance, or out of compliance. I do not see the justification for that.

If the chairman can give me any encouragement or help, I will be grateful. I have an amendment which I did not offer. I have such a high regard for the chairman I will not offer it again.

Mr. ELLENDER. It was done in this case. But if a farm is owned by one person and is worked by two or three, all of them should comply. It would not be fair if two complied and the other did not comply and as a result more of the commodities are produced than should be on that one farm.

Let me state the Department's objections to the amendment.

The proposed amendment—that is, the amendment of the Senator from Washington—of section 301(a)(8) of the Agricultural Adjustment Act of 1938, as amended, would permit the Federal Government or a State to act as a completely separate entity with respect to each farming unit in which it has an interest. This would allow participation and benefits under diversion or allotment programs on one or more farms although there may be an interest in other farms not complying with the crop reduction programs. In short, it would eliminate the current offsetting-compliance provision that is now applied to all producers.

We are opposed to this amendment for the following reasons:

First. We do not believe that voluntary programs can be expected to accomplish their objectives if any entity, including the Federal Government and any State or agency thereof, is permitted to receive program benefits on one farm while counterbalancing crop reduction by overplanting on another farm.

Second. To grant special privileges to Federal and State Governments would be inviting extreme dissatisfaction and

criticism from private producers not granted such leniency.

Third. Federal and State Governments have ample opportunity through the terms of leases to require compliance with programs as a condition of access to the land for farming purposes. This is not an uncommon condition applied to leases involving privately owned land.

Diversion programs for wheat and feed grains as proposed under pending legislation would be offered on a voluntary basis. Any producer or entity feeling the need to produce in excess of the total base or allotment established for his farm or farms could do so without incurring any penalty or jeopardizing his opportunity to participate for program benefits in a later program year. Such a producer only forgoes program benefits in the year of excess.

Further, in the case of wheat a producer may plant as much as 150 percent of his allotment without being considered in noncompliance provided he stores his excess production in accordance with regulations issued by the Secretary. This should provide some relief for a wheat producer who feels it is not feasible to plant within his allotment even though he is not participating in the program with respect to a particular farm.

Participation in diversion programs is voluntary. Therefore, it is axiomatic that producers cannot be permitted to participate and earn benefits on one farm while this compliance is offset by increased production on other farms. To do otherwise would not only make the programs self-defeating, but would also be poor public policy.

If this privilege were granted only to the Federal or State governments, it would tend not only to defeat the purpose of the programs but would create strong resentment and dissension from producers who are dependent on farming for a living.

When publicly owned land is operated by private producers, leases which require compliance with allotments and bases can be required. Owners of privately owned land commonly require this of their tenants.

If the Senate should adopt this amendment, it would mean giving preferential treatment to State and federally owned land in contrast to privately owned land.

I hope the amendment will be defeated.

Mr. MAGNUSON. Mr. President—

The PRESIDING OFFICER. How much time does the Senator yield to himself?

Mr. MAGNUSON. Mr. President, I yield myself as much time as I may need within the time limitation.

I believe there is some misunderstanding, and this is what I am trying to correct.

If 1 sharecropper out of 431 in the entire State leasing program says, "I do not want to be in compliance," none of them can be in compliance.

This is what I am trying to correct. The Department does not answer that argument.

Secondly, they say this might be done in a lease now, but we are talking about leases that have already been made.

Some were made for a long period of years by the State to allow people to cross crops on this land because we have a great amount of land, the proceeds go to schools. This is timber and farming land. The Department does not answer that point.

I would withdraw the amendment if we could figure out how to take care of this situation.

I do not see why one person, who has a lease for perhaps 10, 12, or 15 years on State land, because they fall within the definition of a single person for the terms of compliance, can say, "I do not want to be in," so the other 430 cannot.

It seems to me that that situation ought to be corrected. Two years ago we had this same matter of crosscompliance. I agree with the Senator from Louisiana that one farmer should not have it both ways. Let us put it that way.

But we encountered situations in which a man owned his own farm and he wanted to be in compliance. He was a tenant farmer. Up the road 10 miles there was a section of wheat owned by a bank for some heirs; the bank being of such political persuasion as banks usually are, did not like this system of agricultural allotments and it said "No."

The result was that the farmer could not go in, and we left it up to the county committees. They would determine whether or not it was the fault of the person.

Here it is the fault of no one, but the two, and the 130,000 acres, are treated as one entity.

What we are trying to do is to get them out, but to get them in so there will be less production. This is what the State wants to do. I do not know how it can be done in any other way than by this amendment. I do not believe the Department answers what I conceive to be the problem.

If I am wrong, I would be the first one to say in conference, "Do not accept the amendment; it is taken care of by what the Department says."

I included Federal land. I did not intend to include Federal land, but certain Senators said the situation has been true on some Federal grazing land. All should be under compliance, so that less wheat will be raised.

But less than 1 percent of State lands are not under compliance, and they keep all of the rest of them out. I do not think that is right. I want to have them under compliance. Otherwise, I would not be for this bill.

I hope the Senator will take this amendment to conference to discuss it a little.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

I did my level best to try to frame language to do what the Senator states.

There are quite a number of corporations and individuals that own large areas of land. Under the laws as they now stand, the lessor, the owner of the land, can make it a condition precedent that the lessee plant within the regulations of the Department.

The only way by which this could be done would be when a lease was entered

into with the State by the Federal Government, or with anyone else who leases land. Many farmers want to get in under the program; others do not.

It seems to me that if the State of Washington or any other State that had lands of this kind would insist that no wheat or corn may be planted except in compliance with the rules and regulations established by the Department, there would be no trouble. But as I said, the Secretary, under the law, now has the authority to rectify any mistake that may have been made. But where it is done irrespective of whether the farmer desires to violate the law or not, the Department took that into consideration. Where it was found that there was an error, even in Washington, the Department paid. I do not know how much was paid; I do not have the record before me. But many of the farmers were paid—in fact, all the farmers except the few who had actually violated the rule. That was done under the present law, and it can still be done.

Mr. MAGNUSON. The Senator from Louisiana is surely more knowledgeable about the various rules and interpretations of the agricultural acts in the Department than probably most other Senators. If he could suggest to me, and I in turn could suggest to the State officials, who are the ones involved, that if they have 481 leases on State-owned land, with one person leasing 100 acres and keeping all the rest out, and the Department would show us the rule, I would take my seat. But they say they are a single person, under the ruling of the Department, and they have to take it, too.

A corporation that owns a great deal of land can make separate leases. But the State has to make the same type of lease to each person on the same basis, by law, and the return to the school fund of the State is the same percentage. That is the problem.

Mr. ELLENDER. As I said at the beginning, if any farmer or lessee of a large landowner or corporation owning a large tract of land produces more than he should, all of the tenants of the corporation or landowner are affected. I do not want to change that system; I want the law to remain as it is, because if that is not done, violence will be done to the program.

Mr. MAGNUSON. That still does not answer the problem; 481 farmers want to get in, while 1 fellow sits there and say, "No." So none of them can get in.

Mr. ELLENDER. The State should cancel the lease of the one who says no.

Mr. MAGNUSON. Perhaps the State cannot do that under the law.

Mr. ELLENDER. But that is the way to reach him. There is an easy way to reach it, and that is to provide that the State shall insist that the tenant comply with the law.

Mr. MAGNUSON. The State director, in a long letter, says that he personally wants to have them all under compliance, because that would mean a better regulated use of State lands. It would mean that the State school fund would get its share of the rental. The present op-

eration of the program results in complete chaos.

With the State lands comprising 130,000 acres, I cannot see why the Department should be so concerned over big corporations that are trying to cheat. A sovereign State is not trying to cheat; it is trying to reduce surpluses.

It seems to me that the Department is acting out of pure stubbornness. It can handle corporations and big farmers, whom we are trying to eliminate. But this situation relates to State-owned land. The State could not sell it if it so desired. The State is subject to State law as to the way in which the lands may be leased.

In this instance, one person is obstructing action. Instead of having 130,000 acres in compliance, which is the objective, one person, having 100 acres, is saying that 129,000 acres should go out. So the farmers plant fence to fence and add to the surplus, and we cannot get any help. We are trying to do what every supporter of the bill has been trying to do for years—to secure compliance and reduce surpluses.

Mr. President, I yield back the remainder of my time.

Mr. ELLENDER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from Washington.

The amendment was rejected.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated June 29, 1965, addressed to me by Bert L. Cole, Commissioner of Public Lands, Department of Natural Resources, State of Washington. The letter deals with the entire problem.

I suggest to the members of the Committee on Agriculture and Forestry and to the Department of Agriculture that if they want to have 129,900 acres of land out of compliance, this is a good way to proceed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF RESOURCES,
Olympia, Wash., June 29, 1965.

HON. WARREN G. MAGNUSON,
U.S. Senate,
Washington, D.C.

DEAR WARREN: The Washington State Department of Natural Resources manages about 130,000 acres of State-owned cropland on a sharecrop basis. There are 481 sharecrop leases in 16 counties, and the State's share of the revenue helps support our State's public schools.

Due to certain provisions of the 1938 Agricultural Adjustment Act, set forth in Agriculture Handbook No. 192, states our educational funds may lose as much as 30 percent of the revenue from the 1965 crop.

As the regulation now stands, the department of natural resources falls under the definition of a single "person" for purposes of determining compliance or noncompliance with the Federal farm wheat allotment or cereal grain program. What this means is that if 99 percent of our lessees comply with the Federal programs and 1 percent fails to comply, the State and all its lessees are not eligible for Federal crop diversion payments. This is true even if the 1 percent failed to comply through misunderstanding or other special circumstances.

For example, perhaps land left standing in 1964 has volunteered. This term means that scattered seeds from a previous crop may take root and grow spontaneously. When this occurs, the ACSC's current ruling is that the farmer is growing wheat on normal conserving areas. Some county provisions allow farmers to leave wheat standing on diverted acres as a soil conservation measure, and this wheat in some cases has volunteered. One case of this happening can result in a ruling of noncompliance so that the State is ineligible for crop payments on any of its leased cropland.

As far as can be determined, the degree of noncompliance in our 340 wheat farm leases this year is just over 1 percent. The percentage on other cereal grain leases may run a little higher, since guidelines for the program were not laid down until after part of the 1965 crop had been planted.

In essence, the present regulation penalizes 99 lessees for every 1 who fails to comply, even unknowingly. No State lessee can receive diversion payments if one State lessee fails to comply. The rules could even be interpreted so that a farmer who leases part of his land from the State is ineligible for diversion payments on any of his farm acreage, even though he had complied fully with the Federal program.

It has always been the policy of the department of natural resources to encourage and virtually insist on compliance by our lessees with Federal farm program regulations. We regard it as a sort of moral obligation in the interest of controlling farm surpluses and maintaining stability in our farm economy.

The exemption is very specific, and it would in no way alter efforts to obtain as complete compliance as possible. I also want to point out that individual State lessees who do not comply would still be ineligible for Federal diversion payments.

I urge you to give serious consideration to our proposal. It appears that the loss to our education trust funds for the 1965 harvest could be as high as \$125,000 to \$150,000 and we are extremely anxious to prevent this loss in future years.

We will be most happy to provide you with any additional technical information you think would be helpful.

Sincerely,

BERT L. COLE,
Commissioner of Public Lands.

Mr. MANSFIELD. Mr. President, I yield 1 minute on the bill to the Senator from Oregon.

Mr. MORSE. Mr. President, although the Senate adopted yesterday by an extremely close vote the amendment of the Senator from Tennessee [Mr. Bass] to strike out section 706 of the committee amendment to H.R. 9811, the Holland amendment relating to agricultural labor, I wish to invite the attention of Senators to certain important communications on this topic which deserve consideration for future reference. I ask unanimous consent that there be printed in the RECORD remarks from a letter dated September 10, addressed to me by Mr. Ernest Falk, manager of the Northwest Horticultural Council, Yakima, Wash., and a wire dated September 10, addressed to me by Mr. William M. Carson, president of the Nampa Beet Growers Association.

I have also received two wires in support of the Proxmire amendment relating to the dairyman's class I base plan which was adopted by the Senate yesterday, and which had my support. The communications to which I allude were addressed to me by Messrs. Richard

Sorensen, president of the board of directors of the Lower Columbia Cooperative Dairy Association of Astoria, Oreg., and Harry L. Graham of the National Grange. I ask unanimous consent that these items be included in the RECORD.

In addition, I have received a wire from Mr. Al Lamb, manager of the Morrow County Grain Growers, Inc., Lexington, Oreg., relating to the exportation of wheat. Mr. R. J. Elkins, president of the Oregon-Washington Farmers Union expressed support of the Ellender cotton bill in a wire dated September 10. I ask unanimous consent that these communications also be included in the RECORD at the conclusion of my remarks.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

NORTHWEST HORTICULTURAL COUNCIL,

Yakima, Wash., September 10, 1965.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: I wired you as follows:

"Strongly urge your support section 706 of H.R. 9811, Senator Holland amendment to farm bill which would transfer responsibility of determining availability and need for farmworkers from Secretary of Labor to Secretary of Agriculture. Based on current experience harvesting apples in Massachusetts this is vital to Oregon pear and apple growers."

I want to explain the reference to Massachusetts. The Massachusetts apple industry asked for authorization to bring in a number of Canadian apple pickers. This request was rejected on the assertion that unemployed Massachusetts workers could harvest the crop. This morning I was told of the experience of one fairly large Massachusetts grower using pickers furnished through the employment service; 61 pickers picked less than 2,300 bushels, or an average of 38 bushels per day. (Our pickers have averaged about 110 boxes per day, according to our State department of labor releases.) To compound the matter, the fruit picked in Massachusetts by these people recruited from the unemployment rolls was terribly bruised.

The U.S. Department of Labor as a prerequisite to permitting the growers to request use of the Canadian apple pickers required that each domestic employee be guaranteed a minimum hourly wage, even though they did not earn this amount at established piece rates. This regulation is completely without congressional authorization; in fact, the Congress rejected proposed bills which would have made the minimum wage applicable to agricultural labor. The net result has been that the per box picking cost for this Massachusetts grower was more than doubled—the fruit was not harvested at the proper time, and its quality was further reduced due to excessive bruising.

Finally, the U.S. Department of Labor belatedly agreed that Canadians could be cleared to help harvest the Massachusetts crop but by the time the clearance was granted, the Canadian workers were gainfully employed elsewhere and the Massachusetts grower was taking a beating. This is only the most recent example of the way the foreign farm labor program has been misadministered by the U.S. Department of Labor and why we believe the grower should get a fairer break if the responsibility of making the factual determination is transferred to the Secretary of Agriculture.

In passing, may I add that we are just beginning to get into our apple harvest. It is too early to tell what problems we will be faced with this season. We were fortunate in that crops in the Northwest are about a week early this year. This gave us a good

jump on the season before school started; also, as you know, we have only about a 65 percent apple crop in Yakima. If we had a full crop this year and a normal or delayed season, we could be in serious trouble. Under the circumstances, we are hopeful that we may be able to get the crop off without too serious a loss. However, last year about one-third of the apples remained on the trees too long before they were harvested. This resulted in advanced maturity, reduced storage life, and forced sales for much of this fruit at heavy discounts. This condition will be seriously aggravated in the future if the agricultural labor supply is arbitrarily diminished and necessary labor is not available.

We have always paid fair piece rates in the Northwest. Experienced pickers have been able to make good money. The average, willing picker has earned from \$18 to \$20 per day but the unemployed worker who is unwilling to pick fruit cannot solve our problem and if we have to pay transportation from centers of employment throughout the United States for these unwilling workers, we will be face to face with disaster.

It looks like Medford may come through on pear picking. The early season was a big help because the Bartlett harvest was finished and a start made on Anjous before school starts. Two benefits were obtained:

- (1) Use of students as pickers.
- (2) Students worked as baby sitters freeing housewives for picking.

As you know the pear harvest is touchy and growers sustain heavy losses if harvest help is not available.

Therefore, we urge that you support the Holland amendment.

Yours very truly,

ERNEST FALK,
Manager.

CALDWELL, IDAHO,
September 10, 1965.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

This association urges your support of the amendment to the labor section of the farm bill, under section 706 of title VII to authorize the Secretary of Agriculture to make all determinations of the amount of labor needed or available for the production and harvesting of any agricultural crop whenever such a determination is required in the application of any laws of the United States.

The experiences of farmers in the Southwest where tremendous crop losses were sustained because of shortage of needed labor at harvesttime indicates the Secretary of Agriculture should be the determining factor on the subject of farm labor. Our reasons are as follows:

1. The Department of Agriculture is the logical agency to make determinations in matters relating to agriculture.

2. The Department of Agriculture, through its county and State committee system, its extension services, and its land-grant college system is better equipped to evaluate the needs of agriculture throughout the United States. Adoption of this amendment will not alter the responsibilities of the Secretary of Labor under existing law but will merely make available to him the specialized knowledge and experience of the Department of Agriculture on the subject of farm labor supply and production and harvesting needs.

Crop losses, resulting from a short supply of labor at crop harvesttime will destroy our national agricultural superiority and will place an unnecessary and unreasonable additional cost upon each family in our Nation dependent on agriculture for its daily provisions.

WILLIAM M. CARSON,
President,
Nampa Beet Growers Association.

WASHINGTON, D.C.,
September 10, 1965.

HON. WAYNE MORSE,
U.S. Senate,
Washington, D.C.:

Deletions of dairy section by committee from farm bill prolongs critical situation in major milk markets by denying producers right to vote on program to reduce production of unprofitable surplus while retaining historical share of profitable class 1 market. Respectfully request that you again support Proxmire bill when offered.

HARRY L. GRAHAM,
National Grange.

ASTORIA, OREG.,
September 10, 1965.

HON. WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

The Lower Columbia Cooperative Dairy Association of Astoria, Oreg., asks your support of amendment to farm bill as regards the class 1 base plan on milk when introduced on floor of Senate.

RICHARD SORESENSEN,
President of Board of Directors.

LEXINGTON, OREG.,
September 9, 1965.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

We submit 100-percent parity principle for wheat used for domestic consumption and are in favor of a 4-year program. We feel these provisions will provide efficient growers an opportunity to make a living if we maximize the exportation of wheat. Short-range solutions make financing for farmers and their bankers almost impossible. The necessity of long-range planning cannot be over-emphasized. Shipping restrictions on sales of wheat to Russia serve no useful purpose and hold down exports that would help both wheat farmers and our balance-of-payments position.

Sincerely,

AL LAMB,
Manager, Morrow County Grain Growers, Inc.

MOLALLA, OREG.,
September 10, 1965.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.:

We urge your support of the Ellender cotton bill. We do not support the Talmadge amendment to the bill. This is very urgent in support of the Texas Farmers Union.

R. J. ELKINS,
President, Oregon-Washington Farmers Union.

AMENDMENT NO. 444

Mr. MUNDT. Mr. President, I call up my amendment No. 444 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 44, between lines 8 and 9, it is proposed to insert the following:

SEC. 507. Section 407 of the Agricultural Act of 1949, as amended, is amended by changing the period at the end of the third sentence to a colon and adding the following: "Provided, That, notwithstanding any other provision of law, the Commodity Credit Corporation shall not make any sales of wheat at less than 115 per centum of the current support price for wheat, plus reasonable carrying charges."

Renumber subsequent sections accordingly.

Mr. MUNDT. Mr. President, I ask

unanimous consent that out of my time there be a short quorum call, so that Senators who are interested in the amendment may be alerted.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MUNDT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, for the benefit of Senators, my amendment has been read. It seems to me that we have in this approach an opportunity to reduce the cost of the agricultural program, to increase the net income of the wheat farmers, and, at the same time, to move in the direction of a free agricultural economy.

The amendment which I have sent to the desk is offered on behalf of myself, the distinguished Senator from North Dakota [Mr. YOUNG], the distinguished Senator from Kansas [Mr. PEARSON], and the distinguished Senator from Nebraska [Mr. CURTIS].

The amendment would provide that the Commodity Credit Corporation shall not make sales of wheat at less than 115 percent of current support prices plus reasonable carrying charges, rather than the prevailing rule of 105 percent of current support prices now provided.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MUNDT. I shall yield in a moment.

Mr. President, it is seldom that all of the major farm organizations agree on any segment of our farm policy. However, on this matter there is complete agreement on the need to change the resale formula. All have testified before the Agricultural Committees of the Congress in support of the change.

I now yield to the distinguished Senator from Nebraska.

Mr. CURTIS. Mr. President, I thank the distinguished Senator from South Dakota for yielding to me.

I hope the Senate will agree to this amendment. I am a coauthor of the amendment. I urge that the amendment be agreed to.

It seems to me that the enactment of this amendment into law would be of direct benefit to the wheat farmers of the country. In addition, it would be a move in the right direction from the standpoint of the entire farm program.

I believe that the purpose of farm programs is to raise the prices paid to farmers for a particular commodity. If farm prices were not too low, no one would be in favor of a farm program.

The individual farmers cannot receive a fair, just, and equitable price for what they produce. Today there is a tendency on the part of the farmer toward depending on the Federal Government for his income.

Our amendment would use the support price loan in such a way as to raise the price in the marketplace. That is the real objective.

I hope that the amendment will be agreed to. I thank the Senator for yielding.

Mr. MUNDT. Mr. President, I thank the Senator for his contribution. What the Senator has said is exactly correct. The purpose of these farm programs is, first, to prevent the piling up of unconscionable surpluses; and second, to increase the net returns to American farmers.

I believe that this amendment moves in that direction.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. MUNDT. Mr. President, I am happy to yield to the distinguished Senator from North Dakota, Mr. "Wheat," who has had an important part to play in developing what I believe to be some highly commendable improvements in the wheat program as they appear in the pending bill.

Mr. YOUNG of North Dakota. Mr. President, I thank my friend for those very gracious comments. I do not know of anyone who has been a better friend of agriculture than he.

This amendment would do what the distinguished Senator from South Dakota says. It would permit the market to operate much better. It would, in effect, hold cash prices considerably above the loan level. There would be many advantages to that. It has a direct relationship to the amendment offered awhile ago, to limit the amount of loans that any one farmer could receive and the so-called farm subsidy.

If the cash prices were allowed to be a little higher than the loan level, I believe that most, if not all, of the loans on cotton, wheat, and the major commodities would be repaid. There would be little need of taking out loans if the cash price were a little above the loan level.

I believe this would be a most important feature and accomplishment of this amendment.

Mr. MUNDT. Mr. President, the Senator makes an excellent point. I am glad that he emphasizes that because this would provide the goal toward which we all work ultimately when dealing with farm legislation. It seems to me that that goal can be succinctly stated in a few words, and that would be to provide a fair price for a full crop to the American farmer.

This has no magic about it. It would not do it all alone, but, in combination with the rest of the farm legislation, it would help markedly to move it in that direction.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. AIKEN. Mr. President, I do not like to disagree with my colleagues from the North Central States, and very seldom do. However, in this case, I believe Senators may have overlooked the rapid shift in grains used for feed in the Northeast.

There has been a shift to wheat of a good many million bushels from the other feed grains for use in chicken feed, cow feed, duck feed, or any other feed

uses. I do not know exactly how many million bushels are involved.

I am afraid that if the price went up, we would see a shift back, with a consequent accumulation of more wheat in the hands of the Government, which would please the storage interests immensely, I am sure, but which would not help the poultry and livestock growers of the East.

I do not know how much feed is used in other States. I believe that my own State buys about 700,000 tons of feed a year. I do not even know how much of this is wheat. I do know that a great deal more wheat is being used than was used formerly.

So I would guess that the principal beneficiaries of the amendment among my friends from the West would be the storage interests. At 25 cents a bushel a year for storage and handling, it is worth looking into on their part.

Mr. YOUNG of North Dakota. I believe my friend the Senator from Vermont is correct to this extent: it raises the cash price above the low level to some extent, but we must bear in mind that under the administration's farm program, loan rates for both wheat and cotton are going to be lowered. Wheat price supports are now tied to those of feed grains. The price support—that is, the loan plus other cash payments—will keep the return to the farmer at about the same level, so the farmers from the northeastern part of the United States who want cheaper feed grain will, I think, be receiving it as cheaply as they are now.

Mr. AIKEN. Not much corn is used now in the dairy business but is used mostly by the poultry producers in my area. But apparently the amendment does help the wheatgrower, and I am glad it does.

As I understand, the President desires two conditions for a farm bill: One is that it reduce the cost to the Government, and the other that it discourage the accumulation of surpluses. At least that is the information I get from the administration.

But since we are adding 25 cents a bushel over and above the price voted by the House of Representatives, it amounts to about \$135 million. Adding to that the increase in land readjustment payments and the increase for cotton producers of some \$700 or \$800 million, I believe we should be very generous with the wheatgrower, but not generous at my expense, if the Senator will understand.

Mr. MUNDT. This might help the President achieve the second part of his goal, which the bill as now written does not achieve, and that is the reduction in costs, because it would enable recapture by the Government of considerably more than it is now getting.

Mr. President, the figure of 105 percent of support price worked reasonable well when we had price supports for wheat in the 75 to 90 percent of parity range. However when the Congress adopted the certificate program for wheat it gave a more important role to the CCC resale operations and also made

unrealistic the 105-percent minimum for triggering resales by CCC. As we now know the support price of wheat is \$1.25 per bushel, national average. Thus the 105-percent figure permits the CCC to sell wheat at \$1.31¼ or allows a range in which the market can operate of only 6¼ cents. This is much too narrow and the result is that the normal channels of grain trade are hesitant to move into the market and purchase wheat for their use. Further, they are hesitant about storing any grain and as a matter of statistical fact the Government is becoming the complete storage of all wheat inventories. It was pointed out in testimony in hearings on the farm bill that the Government now owns between 75 and 90 percent of all of the wheat in the Nation.

If this amendment is adopted it will add to the range of price spread before CCC can sell wheat another 12.5 cents, or a total range of 18.75 cents in which the market can operate. This would have the wholesome effect of removing the straitjacket from the marketing system.

By freeing the marketing system we move toward the goals of President Johnson when he said in his farm message of February 4:

Our objective must be for the farmer to get improved farm income out of the marketplace, with less cost to the Government.

In this same message he also stated:

To do this I am asking the Secretary of Agriculture to so utilize the Commodity Credit Corporation as to make the free market system work more effectively for the farmer. We must encourage the private segment of our economy to carry its own inventories, bought from farmers rather than depending on the Government as a source of supply. We must urge the private sector to perform as many services as possible now performed by Government agencies.

I agree 115 percent with that statement.

There is no reason why the Government should pay the storage to maintain inventory for the private grain trade or for the processors. If we adopt this amendment the private sector of the grain trade will enter the marketplace and seek its own grain for its own uses and provide its own storage and inventory and thus reduce those charges to the American taxpayer.

It is a known fact that under the present 105-percent figure the Secretary has dumped some 500 million bushels of wheat on the market in order to in his words "keep prices below supports—to make the program effective." He further stated:

We must not yield to the temptation to make prices so high the programs become unworkable.

While the Secretary professes that the wheat program is a voluntary program, he testified before the committee in opposition to legislation to increase the CCC resale price and makes the statement:

This can't be done if we are required to hold stocks from the market to obtain prices so far above loan levels that we can't get farmers into the program.

Mr. President, it does not seem to me that we should give the Secretary of Ag-

riculture the power to make coercive and compulsory a program which we in the Congress are tailoring to keep voluntary. When we give him the power to dump great quantities of wheat into the market, we give him the power to force reluctant wheat producers into a program which they might prefer to avoid entering.

I ask unanimous consent to have printed at this point in the *RECORD* a broadcast under the heading "GTA Daily Radio Roundup," for Thursday, September 2, as a part of my remarks.

There being no objection, the broadcast script was ordered to be printed in the *RECORD*, as follows:

GTA DAILY RADIO ROUNDUP, SEPTEMBER 2, 1965

We're talking about Commodity Credit Corporation's grain resale price today because it is very important. There have been a lot of half-truths, quarter-truths, and 100-percent untruths bandied around about this, so there is some confusion and misunderstanding. Let's look at the facts.

This is fact: The law permits the Secretary of Agriculture to sell Government-owned stocks of wheat back on the market at 105 percent of loan level and feed grains at the loan level.

Fact No. 2: The Secretary does not have to sell these grains at those minimum prices. He doesn't have to sell at all. He can set the resale price higher if he does sell.

Here is fact No. 3: CCC is not selling wheat in the domestic market for unrestricted use at present. It hasn't for some months—a highly commendable bit of restraint. But it has the unrestrained and absolute power to jump into the market and start dumping wheat at 105 percent of loan today, tomorrow, or whenever it darn well pleases. CCC has an uncommitted stock of 562 million bushels of wheat that it can dump if it so decides. It can legally put the whole kit and kaboodle of that wheat on the market.

Fact No. 4: Wheat today in the Minneapolis market is selling at 107 percent of loan.

These facts bring us to a supposition: Suppose that Secretary Freeman decides to start dumping his wheat on the markets at 105 percent of loan. We hope he doesn't, but if he did, what do you think would happen to that 107 percent of loan price on the Minneapolis market? Would it go down? It has in the past when CCC sold.

That's what Representative QUIE, of Minnesota, meant when he said that "the Secretary of Agriculture has been successful in depressing farm market prices."

It is a matter of record that the Secretary personally told the House Agriculture Committee that "we purposely sold in order to move prices down far enough so that they would be way below the support level, the loan level, so that we could thereby get compliance."

Well, that's the record. Now wheat prices are at 107 percent. And how about farmer compliance with the wheat program? It's wonderful. Kinda blows up the argument that better prices discourage compliance, doesn't it?

Yet the USDA bureau chiefs are dutifully trudging the halls of Congress telling that strictly nonfactual story about noncompliance and also saying untruthfully that it would cost the Government \$90 million to raise CCC's resale price to even 110 percent. That's just guff, but it seems to work, and the administration isn't doing anything to stop it. So the efforts of farm-State representatives and Senators from both parties, with a notable exception or two, to raise CCC's resale price by act of Congress are defeated time after time. That's something to keep in mind.

Meanwhile, USDA continues its firm grasp on the unrestrained and unprecedented power to whop grain farmers over the head with a low ceiling price any time it decides to do so. Is this what Congress intended?

Please don't misunderstand what we say. We are strong advocates of good farm programs. Those are the words of none other than the general manager of your GTA. M. W. Thatcher said just the other day that "Good farm programs and good administration of them, have no stronger advocate than your general manager. We'll match our record with anybody's, and we'll continue to work for a more just and effective margin between loan value and the price at which CCC can sell its stocks."

Mr. MUNDT. It has been said by opponents of the change that by increasing the resale price by CCC which would result in an increase in the market price that the number of cooperators would go down. Well, now let us look at this charge. I know that farmers in my State of South Dakota do their farm planning with a sharp pencil. I know that they will figure out a method of operation for their unit which will bring them the optimum return on their investment. If he drops out of the program he stands a chance of receiving in the marketplace about \$1.43 to \$1.44 per bushel for his wheat in the marketplace on all of the acres he can plant. However, will he forego for that price the right to participate in the voluntary program under which he will receive a certificate valued at the support price of \$1.25 on domestic wheat plus payments on diverted acres, plus a share of export certificates purchased from CCC which will bring him a total blend price of at least \$1.90 on allotted acres on projected normal yield. Will he forego the advantages of good soil conservation practices as developed by the diverted acre program? Knowing the farmers of South Dakota it would be my prediction that all those who are co-operators today under the present resale program would be cooperators under the program even with the adoption of this amendment.

In fact, Mr. President, during the past marketing months the Secretary has not sold wheat in the domestic market. What has happened? Wheat prices are at 107 percent of support price on the market and farmer compliance with the program has remained high.

Let me say in conclusion what I believe some of the results would be should my amendment to raise the minimum resale price be agreed to.

First, it would raise the net returns to wheat producers by approximately 10 cents per bushel, on an average.

Second, there would be substantial savings to the Government by greatly reducing transportation costs and elevator in-and-out charges which now accrue as a result of selling farm products with one hand, and buying equivalent amounts through the storage loan program. As a result, this could provide a greater return to the taxpayer on his investment in surplus grains now owned by the Government, thereby reducing the overall cost of the wheat program and of the farm program in general.

Third, the farmer would receive his increased income in the marketplace and

not through a direct Government payment. This would result in less cost to the Treasury, and be a move toward the second objective which the Senator from Vermont [Mr. AIKEN] has pointed out, which he says he was advised by the President that he would like to see incorporated in the Farm Act of 1965.

Fourth, it would provide tighter restrictions on CCC sales, thus giving farmer-owned cooperatives and the private grain trade an increased opportunity to carrying out their historic function as the buyers and merchandisers of the output from American farms. There would be added incentive for all segments of the trade to carry larger inventories of farm commodities, thereby reducing the Government's enormous storage costs.

Therefore, Mr. President, I urge the Senate to adopt this amendment and while the Secretary of Agriculture seems unwilling to support the President in his objective of assisting the farmer to get improved farm income out of the marketplace with less cost to the Government we can by our action here today give the President that support which he asked us to make available to him last February 4.

I ask unanimous consent that there be printed in the *RECORD* at this point the text of a broadcast dated September 10, 1965, produced by the GTA Public Relations Department at St. Paul, Minn., and broadcast over a great many States in a five- or six-State area of the Midwest.

There being no objection, the broadcast script was ordered to be printed in the *RECORD*, as follows:

GTA DAILY RADIO ROUNDUP, SEPTEMBER 10, 1965

We understand from sources in Washington that an increase in the Commodity Credit Corporation grain resale price to at least a compromise at 110 percent has a fair chance of being included in the farm bill when it finally reaches the President's desk.

It would be good news to all concerned—farmers, the legitimate grain business, and Government—to have a higher minimum resale price established. Now it must be stated that for some time it has been USDA's policy not to sell wheat on the domestic market for unrestricted use, and this policy has been widely and highly commended. But CCC can go back today, tomorrow, next week, or next month to selling wheat freely at 105 percent of loan value. That's a bargain for the millers and other buyers, and naturally they shop at the Government's big discount house.

It must also be pointed out that the Government now owns unrestricted less than 600 million bushels of wheat, an adequate but not overlarge national reserve. Farmers and the private and cooperative grain industries are perfectly capable of storing and handling commercial supplies. The Government does not have to load up its inventories with more wheat and is not forced to do so.

For example, right now a good many farmers have 1964 wheat stored under the loan program. They are intelligent and capable people, and they work with sharp pencils to determine how to market that wheat to their best advantage. Should they turn it over to the Government or market it at their elevators and pay back the loan?

If they desire to pay back the loan, they must pay interest for the period they have used the Government loan money. They

were forced at the time they took out the loan to pay the first year's storage. So, they must realize in the marketplace at least 10 cents more per bushel than the loan value to come out even. That means the market price would have to be at least 110 percent of loan. We figured the market price one day last week, and it was at 107 percent of loan, approaching the point where farmers could redeem without loss.

These redemptions keep grain out of Government bins which is considered to be desirable at this time. Thus the Government saves money. Farmers benefit. Farmers' cooperatives are able to market and merchandise grain and use their arsenal of facilities to improve returns to farmers. It also gives the co-ops a chance to bargain for better protein premiums, which they obtained for farmers in the first place. When grain goes into Government hands CCC enforces rigid control of protein premiums with its own schedule of values.

But if CCC resumes wheat sales at only 105 percent of loan, you know from experience that market prices will hover at just about that level. The lower CCC schedule of protein premiums will prevail. Farmers will have little or no incentive to redeem their grain. They are almost forced to turn it over to the Government. Then the whole round robin of putting wheat into and selling it out of Government bins goes on. USDA is put on the defensive, forced to try to defend itself against its critics in and out of Government. Farmers get a bad name with taxpayers. They get lower prices for their grain. Their cooperatives are hamstrung in the marketplaces.

So you see the value in simply raising the CCC grain resale price to allow the CCC to operate within the charter given to it by Congress—and in full recognition of farm program goals as outlined by President Johnson himself.

NOTE.—Reprints of this radio broadcast, prepared by the public relations staff, are available from Farmers Union Grain Terminal Association, St. Paul, Minn.

Mr. MUNDT. Mr. President, I sincerely hope that we can get favorable action on what I believe to be a most constructive proposal.

I reserve the remainder of my time.

Mr. PEARSON. Mr. President, will the Senator from South Dakota yield for a question?

Mr. MUNDT. I am happy to yield to the Senator from Kansas.

Mr. PEARSON. First, let me say that I am pleased to be a cosponsor of the amendment with the Senator from South Dakota, and I compliment him on the thoroughness and logic of the argument he has presented to the Senate today.

I should like to ask the Senator, if it is not true that under section 407 of the Agricultural Adjustment Act of 1949, as amended, it is specified that in selling commodities for unrestricted use in the domestic market, the sale price to the Government should not be less than 105 percent of the current support price, with reasonable care and charges for storage and handling. I believe that the experts who testified at the hearing stated that the Secretary of Agriculture, in truth and in fact, could sell at a higher percentage?

Mr. MUNDT. The Senator is correct. We would elevate the floor of 105 percent as it presently appears in the act to 115 percent; and still, if the Secretary wished to do so, he could sell at a higher price.

Mr. PEARSON. I ask the Senator, in line with the recommendations of the President in his agricultural message of February 4, from which the Senator quoted at some length, why it is, when he specifically referred to action of the Secretary of Agriculture and to the use of the CCC mechanisms, that the percentage has not been raised by Executive action pursuant to law?

Mr. MUNDT. The Secretary of Agriculture made that clear in his testimony, when he said he was reluctant to hold up the price because, by dumping Government storage into the markets, there could be some compulsion on nonparticipants to become participants in the program. This is a club he likes to exercise, to provide a little Executive coercion in the legislative "volunteerism" which we have written into the act.

Mr. PEARSON. What is the magic in 105 percent? If we accept the argument as being valid, would not the same coercive action exist if it were 110 percent or 115 percent?

Mr. MUNDT. No, because every percentage point we push it up, we would restrict the ability of the Secretary of Agriculture to dump into the market at harvest time great quantities of storage grain, thereby forcing down the cash price which should be received by the noncooperative.

Mr. PEARSON. Let me ask the Senator this question: I understand that the Secretary of Agriculture has opposed the amendment because of the increased cost to the Government. Is that correct? Is that the second leg he stands on?

Mr. MUNDT. I do not believe that would be a defensible leg, if he does that, because this should actually reduce the cost to the Government.

Mr. PEARSON. Let me say to the Senator that I came in a little late, and the Senator may have covered the point, but I should like to make note of the fact that in all the controversy concerning farm legislation, and in all the differences of opinion in farm organizations, this particular amendment has their support, with some reservations, as to whether it should be 125 percent, 115 percent, or 110 percent. It has the support of the Farmers Union, the American Farm Bureau, the Farmers Grain Terminal Association, the National Grain Trade Council, the National Grain Feed Dealers Association, the National Federation of Grain Cooperatives, and the National Association of Farm Growers.

I should also like to note that on the House side, when the amendment was presented in the Wheat Subcommittee, the 115 percent failed by a 7-to-6 vote. When it was presented in the full committee on the House side, the 110 percent failed by 18 to 17. Therefore, it has wide support, not only from the words of the President, not only from the action of the House on both sides of the aisle, but also from various farm agencies and bureaus throughout the country.

Mr. MUNDT. The Senator from Kansas makes an excellent point in his usual cogent manner.

During the many long years I served as a member of the Senate Committee on Agriculture and Forestry, and the many

additional years I served on the Appropriations Subcommittee for Agriculture, and the full Committee on Appropriations, I believe that this is only the second time I can recall when all the major farm organizations have been able to agree on farm policy.

I remember when the distinguished, hard-working and perceptive chairman of the Senate Committee on Agriculture and Forestry called in all the leaders of the farm organizations at one time, and said to them:

We wish to help the farmer of this country. Therefore, we are going to lock you up in this room, and have you sit around this table. We wish you to sit there and cooperate with one another and discuss this problem and arrive at a consensus. We will send you in coffee and luncheon, and when you have arrived at a farm policy, call us back in and we shall be most happy to enact into law what you have decided.

I do not know whether he was bluffing or not. I do not believe he was. In those days, we all lived with a sense of frustration.

However, the farm leaders did not call the bluff. They did not sit there and agree. They did not call us back in.

The first time I can remember when the farm organizations were all agreed was when I was sitting as a member of the Committee on Agriculture and Forestry, and all the farm organizations came up together with approval of the soil bank. It was adopted, as everyone knows. It also developed many bugs, loopholes, and escape hatches. Some people even chiseled a little bit in connection with it. They let out whole farms in areas of the country where they deprived areas of tax returns, and small towns of their customers.

But it is interesting to note that the concept of the soil bank has continued. We have never quite gotten away from it. It is back in the bill again. It has a new, fancy name. We will support it. We will have plugged up some of the loopholes. We will make refinements. We have learned from experience. But when the farm organizations of this country agreed on a formula, Congress went along. It is still going along with the soil bank concept.

The second time I find them in agreement is in connection with the pending amendment. All the various farm organizations have testified for this concept, as the Senator from Kansas has pointed out. On the formula, some wish to go a little higher, some a little lower, but all higher than 105 percent, because they do not believe it is good to place the American farmer in competition with his Government when it can dump tens of millions of bushels of wheat into the market at harvesttime to force prices down.

Therefore, I believe that we are on sound ground in finding ourselves in concert with the various farm organizations of the country, which certainly have a great interest in the overall agricultural economy, whether it be the producer, the man who buys feed, or the man who lives in one section of the country or another.

Mr. MILLER. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. MILLER. Let me say to the Senator from South Dakota that I recognize the merit in his arguments but, at the same time, I am concerned over why the amendment does not include feed grains as well as wheat. It is my recollection that many of these organizations to which the Senator from Kansas referred have advocated an increase in the resale percentage rate from 105 percent by the CCC not only for wheat but also for feed grains as well. I was wondering whether the Senator has some basic reason for not including feed grains because it seems to me that they should be handled in the same way.

Mr. MUNDT. Yes. I have a very good reason: the practical reason that it is good agricultural legislation. As in so much other legislation, we have to make progress one step at a time. We cannot cure all problems in one particular legislative act. Therefore, I feel that the logical place to start at this time is with wheat. As the able Senator from North Dakota pointed out in colloquy a few moments ago, there is an interrelationship between the prices of feed grains and wheat. This will help all of it, to a certain extent, as it helps wheat primarily and will work so effectively that the next time we deal with the problem, we can include the same formula for corn and for feed grains.

Mr. MILLER. Let me say to the Senator from South Dakota that I recognize there is a different interrelationship. It is for that reason, it seems to me, that since there is this interrelationship, the same resale percentage should apply to them.

I was hoping that I could persuade my friend the Senator from South Dakota to modify his amendment so as to cover both wheat and feed grains.

Mr. MUNDT. I would not be willing to do that for the simple reason that it would weigh down the ship too heavily when we are wallowing in stormy seas now. I am not convinced that the chairman of the committee would accept the amendment. We must move slowly, but move in the right direction.

Mr. MILLER. It is true that if the ship is loaded down too heavily it may sink, but that is begging the question. The question is whether we are going to have an adequately loaded ship. That is what I am advocating now. I do not believe the problem will be solved and the ship adequately loaded unless feed grains and corn are included.

I emphasize that most of the farm organizations to which the Senator alluded, which have advocated an increase in the percentage, have done so in terms of feed grains and wheat both. They have not singled out feed grains or wheat. They say, "We want both to be covered."

We had extensive testimony before the committee by various representatives of the grain trade, who pointed out that, because of the present unstable situation now which results from the 105 percent, the grain trade is reluctant to buy and store its own grain with the prospect that the Secretary of Agriculture may direct

the dumping of some of these stocks, which would result in losses to them. They assured us that if this percentage were increased, it would mean the grain trade would buy and store more of its own grain, which would cut down the cost of storage to the Government.

I think they made a good case, but they talked not only of covering wheat, but wheat and feed grains.

While I recognize that this would be progress, we ought to make progress across the board with respect to both feed grains and wheat, as the different farm organizations have advocated.

Mr. MUNDT. Mr. President, I had agreed to yield to the Senator from Kansas [Mr. CARLSON] such time as he might desire. Then I think the subject would have been pretty well covered on this side.

Mr. CARLSON. Mr. President, if the Chair will let the chairman of the committee speak first, I shall be glad to speak later.

Mr. MUNDT. Very well.

Mr. ELLENDER. Mr. President, this amendment would increase the CCC minimum sales price from 105 to 115 percent of loan plus reasonable carrying charges. This would result in an increase in CCC sale minimum of about 12.5 cents.

It would discourage voluntary diversion.

It also would result in an increase in substitution of wheat for feed grains, especially barley, thus resulting in a rather substantial increase in wheat production.

The higher market price that would result under a higher minimum resale provision would destroy the present favorable competitive relationship between wheat and feed grains in terms of their feeding equivalent. This would result in considerable less wheat consumed for livestock feed purposes.

The net result of these three unfavorable effects would be an increase rather than a decrease in Government stocks. This in turn would increase storage and other related costs—and would substantially destroy the effectiveness of the wheat program.

The committee rejected a similar amendment which provided for an increase to 110 percent, instead of 115 percent.

OBJECTIONS TO INCREASING WHEAT RESALE MINIMUM PRICE TO 115 PERCENT OF SUPPORT

With \$1.25 per bushel support for wheat, not accompanied by certificates, the legal minimum the first month of the marketing year would be \$1.44 per bushel; and midyear about \$1.53 per bushel; and from April on, about \$1.59 per bushel.

Undesirable effects of increasing the wheat minimum include:

First. Reduced compliance: The man with a small allotment in comparison to available cropland would probably stay out of the program and plant all available land. A man with a 100-acre allotment, diverting the minimum under the 1935 program, gets benefits of \$1,200. Accepting \$1.51 per bushel he would need to produce only about 795 bushels more

wheat to equal the \$1,200 benefit. With a 27-bushel per acre yield, he would need to plant only about 29 more acres than his allotment. It should be recognized that in the major wheat producing areas, substantial quantities of fallow land would be available for planting in excess of the allotment.

Second. Reduced voluntary diversion: If participants anticipated a price of around \$1.51, those who participated would not divert additional acreage.

Value of production per acre—\$1.51	
per bushel × 27 bushels	\$40.77
Less production cost	8.00

Total	32.77
Diversion payment—50 percent × \$1.25	
per bushel × 27 bushels	16.90
Advantage to be gained by planting	15.87

Third. Additional program costs: Each 1 cent increase in the price of wheat means 1 cent increase in export subsidy on about 60 percent of the crop. Assuming an increase of only 12 cents per bushel times 700 million bushels equals \$84 million more subsidy costs.

Fourth. Benefits to producers would be limited: In the past 4 years approximately 46 percent of the entire wheat crop was sold by producers during the first quarter of the marketing year. Fifteen percent was sold in the second quarter, 19 percent was sold in the third quarter, and only 20 percent in the last quarter. It is reasonable to assume that higher market prices resulting from the resale policies of CCC would not occur until well into the third quarter of the marketing year. On the basis of the past pattern of marketing, it becomes obvious that only a limited number of producers could obtain any monetary benefits from an increased resale price, since much of the wheat would be marketed before the market would reflect the increase.

Fifth. Substitution: The basic principle of substitution is that wheat and feed grains be completely competitive in terms of their feeding equivalent. If wheat is priced even a cent higher on the basis of its feeding value than corn or milo, the smart feedlot operator or independent feeder would not feed wheat. While we cannot control market prices to make these equal to all times throughout the year, we do have the mechanics of the loan and resale policy to try to keep these in line.

Mr. President, I express the hope that my good friend from South Dakota will not press the amendment. The committee considered this matter, not at 115 percent but at 110 percent, the same as provided in the amendment the Senator from Kansas desires to offer. The committee voted it down.

It is my belief that the producers of wheat have a very fine bill in the pending measure. My fear is that the adoption of this amendment would doubtless raise the cost of the program. I have no doubt it would do violence and would probably kill the substitution clause in the corn as well as the wheat provisions. That substitution provision provides that a farmer may plant corn on wheat acreage and retain his history, and vice versa.

The amendment would increase the price of wheat. It would no doubt affect the cost of feed grains to poultry and other farmers who feed animals.

The problem of increasing price supports in addition to what is provided in the law has been before our committee for some time. As chairman of the committee, I am still willing to continue a study of this matter.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MUNDT. I wonder if we could arrive at some kind of understanding—we all desire to be cooperative with the distinguished chairman—that would be in the interest of the whole agricultural economy. Hearings have been held from time to time, but usually in conjunction with other legislation. I wonder if the distinguished chairman would be willing, if we desist from offering the amendment—we want to see the farm bill passed—to assure us that hearings will be held on this particular aspect of the farm problem, in which the Secretary of Agriculture will appear, and in which he can give his point of view, and in which the farm organizations can be heard, and in which the Senator from Iowa can propose his corn and feed grains provision, so we can see where we come out with respect to this problem.

Mr. ELLENDER. I am sure I can do that. I am confident that I can get the committee to cooperate in order to settle this matter. It has been before us—

Mr. MUNDT. Many, many times.

Mr. ELLENDER. I give assurance that I am willing to have hearings held on the matter.

Mr. MUNDT. I appreciate that. I was on the Senator's committee, and I recall—

Mr. ELLENDER. I will go further. I would like men like the distinguished Senator from South Dakota to be present and participate.

Mr. MUNDT. I shall be happy to do so.

Mr. ELLENDER. I have been on this committee for almost 29 years. My objective has always been to assist the producer and keep him in business, because I consider agriculture the main foundation of our economy. I shall be glad to comply with the suggestion made by the Senator from South Dakota. I am sure I shall not have any difficulty in persuading the members of the committee to cooperate. My good friend from Iowa is a member of the committee. The Senator from North Dakota [Mr. YOUNG] is a member of the committee. The Senator from Vermont [Mr. AIKEN] will be there to protect the feeders. All those matters can be considered by the committee.

Mr. MUNDT. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. MUNDT. I remember being on the Senator's committee at the time we wrote into the law the 105-percent provision. There is nothing sacred or holy about that figure. We had debate as to whether it should be more or less. I think it would be good to ventilate the

whole subject, on which the Secretary, the grain operators, the producers, can concentrate their attention, and the committee can learn what is the best policy in the national interest.

Mr. ELLENDER. I think it would be a good idea. If we could have all those interested in the matter present, we might be able to come to some conclusion.

Mr. MUNDT. I thank the Senator.

Mr. ELLENDER. I will go further and say that it might be well to get some of the departmental heads who oppose this proposal to be present and listen, and, while we examine the proponents, let them answer the proponents.

Mr. MUNDT. I think it is perfectly proper that they should be.

Mr. ELLENDER. Yes.

Mr. MUNDT. With that understanding—and I understand the pressure of time under which the distinguished majority leader is operating—I am perfectly willing to withdraw my amendment, on the assurance of the chairman of the committee, and in view of the comments and remarks which have been made.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. CARLSON. Mr. President, the distinguished chairman mentioned an amendment which I had pending at the desk. The amendment is No. 422 and would set the resale of Commodity Credit wheat to 110 percent of parity loan support and carrying charges.

I offered this amendment because I thought it was time, based on the present marketing system and the present price of crops, that we should have 110 percent of parity.

I will say to the distinguished chairman of the committee that I was encouraged with what happened to cotton the other day.

That beginning August 1, 1964, the Commodity Credit Corporation may sell upland cotton for unrestricted use at not less than 105 per centum of the current loan rate for such cotton under section 103(a) plus reasonable carrying charges.

I find that the amendment passed last Friday dealing with cotton reads as follows:

Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate.

In order to secure increased farm income, it is necessary to either increase farm payments or increase the price of the farm commodity in the marketplace—or both.

I had offered an amendment to the pending farm legislation which would prevent the Commodity Credit Corporation from selling wheat at less than 110 percent of the current support price, plus reasonable carrying charges. Presently, the Commodity Credit Corporation is permitted to sell wheat in the open market at 105 percent of the current support price, plus carrying charges.

I believe it is urgent that we take ac-

tion to remove, or at least ease, the ceiling price provisions of the present law.

Presently, we are applying ceiling prices on our wheat producers at levels which penalize in a most drastic manner the wheat farmer when he takes his production to market.

Price supports for wheat have been drastically reduced from an average of \$2 per bushel just a few years back to approximately \$1.25 per bushel this year. I do not believe it is fair to wheat farmers, nor that it is a sound national policy to prevent the market price from operating above these support levels if the market system indicates that it should.

Under the existing law, the Secretary of Agriculture is authorized to move Government-owned wheat into the market when the cash price reaches a level equal to 105 percent of the support price—plus carrying charges.

The Secretary has exercised this authority—and by so doing—has placed a ceiling price on wheat in the marketplace at this level, and in fact, in many instances has purposely sold wheat at these levels in order to hold down the price. In simple language, the Secretary has used the weight and size of Government stocks of wheat to break the market price. This, of course, reduces the income of the Nation's producers.

Government manipulation of prices impairs the market system and can ultimately destroy it.

Government-owned wheat begins to move into the cash market when the cash wheat price increases about 6 cents over the loan price. This complies with the 105-percent requirement.

Under the proposal that I have offered, Government-owned wheat cannot move into the cash market until it reaches \$1.38 per bushel, which would be 110 percent of the loan price—plus carrying charges.

The proposed farm bill will give Congress an opportunity to include a provision which would authorize the Secretary to sell Government-owned wheat at a price higher than the 105 percent of loan price.

The principle of securing an increase in the sale of this Government-owned wheat is approved by most of the farm organizations in our State, and while they favor a much higher release price than 110 percent of parity—they all agree on the principle.

Personally, I would favor a much higher cash release price for Government-owned wheat, but I believe one must be practical. By this I mean we must not get the release price so high that the Government would be forced to build even greater surpluses, which would be a deterrent to increased price for wheat.

At the present time we have a carryover—or a surplus—of some \$819 million bushels, plus a very large crop produced this year. Our domestic consumption stays at about 650 million bushels for food, feed, and seed. Our exports have been running between 600 to 800 million bushels and present indications are that this year's exports will maintain that level.

There is no doubt that the world needs more of our wheat, but the problem, of course, is to get it into the world markets through Public Law 480 and cash sales.

We need to get more wheat into the private trade channels of our Nation and under the 105 percent sales policy, the Government will own 90 percent of our wheat. This policy has a way of nationalizing the wheat business.

What we need is a system which will permit—which will make it attractive to people with capital to invest in wheat, so that the Government does not have to carry all of the wheat. One way to do this is to keep up a progressive program of reducing our stocks as rapidly as possible—but at the same time—increase the Government sales to at least 110 percent of loan.

There is only one way that the Government can own less wheat, and that is for somebody else to own some wheat and the only way we are going to make it interesting for anybody with money to own wheat is to up the sale price.

The sale of Government-owned wheat at 110 percent of loan would raise farm income—reduce Government costs—and help restore a healthy grain market system.

I felt somewhat encouraged when I read that, so far as 110 percent would be concerned for wheat. Other commodities we can consider separately but I understand our distinguished chairman agreed to hold hearings. I am in accord with that. I shall not offer my amendment.

I appreciate his understanding of the problem and his generosity in trying to work with us. I shall cooperate with the chairman.

Mr. McGOVERN. Mr. President, I am pleased to hear the exchange between the Senator from South Dakota [Mr. MUNDT] and the chairman of the committee, because I believe these hearings can be helpful in throwing light on these problems.

I am in sympathy with what Senator MUNDT tried to accomplish, and I am in sympathy with what Senator CARLSON tried to accomplish.

I agree that we should not do anything at this point to delay passage of this important farm bill.

I believe the spirit of the two Senators, in being willing to withdraw their proposals so the committee can go into the whole question, is commendable.

I assure the chairman of the committee that I shall be more than happy to cooperate in attending hearings.

Mr. ELLENDER. I appreciate that.

Mr. MILLER. I express my appreciation to the distinguished chairman for agreeing to hold hearings on this subject.

I am sure the chairman will recall that there was a great division on the part of not only members of the committee, but officials of the Department of Agriculture on how resale price is computed. Hearings can be helpful in clearing up not only how price is computed, but its effect on the market and its distribution.

I appreciate what the chairman said, and I assure him that I will be interested in and be present at the hearings.

Mr. ELLENDER. I thank the Senator.

Mr. MUNDT. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ELLENDER. Mr. President, this morning I had a discussion with my good friend the Senator from Georgia [Mr. TALMADGE], the author of the cotton amendment adopted by the Senate on Friday last.

I read his speech over the weekend. In that speech, he outlined benefits accruing to producers under his amendment. As I understood it, it was his intention to provide cotton farmers of the Nation at least 65 percent of parity on allotted acres and perhaps more as the surplus was reduced.

Since that is his stated intention, and in order to clarify the matter and make certain that that will be the case; that is, that the cotton farmer will receive between 65 and 90 percent of his allotted acres either through direct loan, direct payment, or diversion payments. I have prepared an amendment. I have discussed this amendment with the Senator from Georgia, and it carries out his intention.

I would like to explain my amendment to the Senate.

Under existing law the cotton producer is guaranteed support of at least 65 percent of parity on all of his production from his allotted acreage. The amendment I have proposed would merely preserve this protection for him. This would give the cotton producer about the same treatment accorded producers of other basic commodities. Wheat producers are assured by the bill of at least \$1.90 on the yield from their full-planted acreage within their allotments.

Corn producers are assured of at least 65 percent of parity on all the acres planted within their permitted acreage.

Rice and peanuts are supported at not less than 65 percent of parity on all of the crop produced on the acreage allotment.

Tobacco producers receive support on their entire quota at a level fixed by Congress.

Similarly for wool, the Senate has seen fit to provide a precise statutory support price.

Congress has seen fit to assure dairy farmers of price support between 75 and 90 percent of parity on their full production.

But under the pending legislation the cotton support price is left to the discretion of the Secretary, except for a guarantee of 65 percent of parity on 65 percent of the farm allotment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to add the following new section:

SEC. —. Notwithstanding any other provision of law, for each of the 1966-1967-1968-1969 crops of upland cotton, the total amount

of price support made available to a cooperator shall not be less than an amount determined by multiplying the farm acreage allotment by the projected farm yield by 65 percent of the parity price for cotton as of the beginning of the marketing year.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TALMADGE. As the able chairman of the Committee on Agriculture and Forestry has said, we discussed this amendment earlier today. I believe it is a very good amendment, and strengthens the bill. I hope the Senate will adopt it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

Mr. AIKEN. Mr. President, I offered an amendment last night, which was printed, I believe. I offered that amendment because it appeared to me that the cotton section of the bill was slanted wholly toward cotton manufacturers and left the producer far out in left field.

I believe the amendment just approved, which was offered by the Senator from Louisiana, assures that the cotton producer can at least get honorable mention once in a while and a little of the money, a little more than he otherwise would have gotten.

In view of the fact that the Senate accepted the amendment offered by the Senator from Louisiana, I announce that I shall not offer or ask for a vote on my amendment to restrict the cotton program to 2 years.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I yield 6 minutes to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, I contemplate voting against the bill.

I earnestly hoped that this would be the year that the Congress of the United States would take affirmative steps toward the development of a sound and realistic farm program.

Experience has proved that Government acreage allotments and marketing controls do not work. Experience has demonstrated that Government rigged prices do not help farmers, adversely affect consumers, and are exorbitantly expensive to taxpayers. Experience has called for a complete revision of our farm programs. This is why I joined with

other Senators in introducing S. 891 which represented a fresh approach for wheat and feed grains. S. 891 would, first, abolish acreage and marketing controls for wheat and feed grains; second, establish price supports for wheat based on the 3-year world market average; third, establish price support for corn at 90 percent of the 3-year market average, with price supports on other feed grains related to corn; fourth, permit the market to operate by requiring that the Commodity Credit Corporation not release stocks at less than 125 percent of the support price; and, fifth, establish a cropland retirement program designed to reduce an over-expanded agricultural plant through the voluntary retirement of cropland on a competitive bid basis.

Such a program would reduce Government intervention in agriculture and reduce substantially the expenditures from the Federal Treasury. Such a program would signal the return of our great grain industry to an effective market-price system.

It was a great disappointment to me therefore to see in the House-passed bill, H.R. 9811, what appeared to me to be a rehash of programs which had proved ineffective and which have been largely discredited.

H.R. 9811 contained programs for dairy, wool, feed grains, cotton, and wheat. In view of the complexity, expense, and futility of these programs, it is little wonder that the Senate Agriculture Committee decided that these programs had to be substantially revised. I am only sorry that the committee did not find it possible to completely rewrite the bill.

With respect to wheat, the House bill would establish price supports at the world market price, or about \$1.25 per bushel. Payments would be made to farmers who joined the program of about \$1.25 per bushel on that portion of the wheat crop estimated by the Secretary to be consumed domestically by humans. Seventy-five cents of this payment would be financed through a processing tax placed on domestic mills, and 50 cents would come out of the Federal Treasury. Additional payments would be made to farmers who reduced their planted acreage by at least 10 percent, but not more than 50 percent.

As we consider H.R. 9811, the language of S. 1702 has been substituted by the Senate committee. S. 1702 would also support the price of wheat at the world market price with payments on all wheat produced—based on the projected yield—sufficient to bring the total price support to approximately \$1.90 per bushel. For example, if the price support were \$1.25 per bushel, payment to producers in the program would amount to 65 cents per bushel.

PROCESSING TAX

The bill contemplates a processing tax of 75 cents per bushel on domestically milled wheat to finance a part of the subsidy payment, with the remainder coming out of the Federal Treasury.

I will vote against the farm bill for the following reasons: First, the bill contemplates a processing tax of 75 cents per bushel on domestically milled wheat

to finance a part of the subsidy payments, with the remainder coming from the Federal Treasury. I oppose financing the wheat program through a processing tax on the American consumer. I believe this is a device to hide the most of the program, and that it is a mechanism designed to tax those least able to pay. It does not make sense to me for the Senate in the same session to remove excise taxes on jewelry, furs, perfumes, and cosmetics, while imposing a processing tax on wheat, the ultimate cost of which must be paid by the buyers of bread.

The processing tax will cost \$375 million. The greater the purchase of bread by the consumer, the greater will be the contribution to the fund necessary to finance the bill, in accordance with the intention of the drafters and promoters of it.

How can I go back to Ohio and say we have eliminated the excise tax on jewelry and furs, but have imposed indirectly a tax on bread?

It cannot be done.

Second, the wheat program in the bill is not voluntary. When a wheat farmer is dependent upon the Government for payments for more than one-third of the price of his wheat, and when such payment is denied unless he joins the program, this, in my opinion, constitutes compulsion and cannot be placed in the category of a voluntary subscription by the wheat growers of the United States to the Federal program.

Third, the program discriminates prejudicially against wheat producers who produce wheat that is in short supply. For example, the Soft Red Winter wheat grown in Ohio is not in surplus, as many other types of wheat are. Yet the Ohio producer of wheat is forced to cut his acreage the same as a producer whose wheat is in surplus.

Practically every bushel of wheat farmed in Ohio is Soft Red Winter wheat. Ohio produced 38,316,000 bushels for the year ending June 30, 1965. That is practically our whole product. At the end of June 30, 1965, 819 million bushels of all wheats were in surplus. Only 8 million bushels of the 819 million were the Soft Red Winter wheat—1 percent of the 819 million bushels. Yet the Ohio wheat producer will have to cut back, in order to get domestic certificates, in the same manner as the producer of wheat that is in huge surplus.

Fourth, the certificate plan contained in the bill is especially discriminatory so far as Ohio producers are concerned. Payments are supposedly made on the basis of domestic consumption for human use.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LAUSCHE. Mr. President, may I have more time?

Mr. MANSFIELD. I yield an additional 4 minutes to the Senator from Ohio, and shall yield additional time after that if he needs it.

Mr. LAUSCHE. Yet this percentage is an arbitrary, across-the-board percentage which is computed without regard to quality of the wheat produced or the actual use of the wheat.

Fifth, the bill continues, through indirect taxes, to subsidize the manufacturer of cotton goods. These manufactures will double in the sum of \$382 million under the bill, a bill which is supposed to help the cotton farmer. Within the past 10 minutes, some improvement of this aspect has been made.

I cannot subscribe to a bill which is supposed to help the farmer, but which contains \$382 million of aid to the processors of cotton goods. Let us remember that the cotton surplus has gone up; the price of cotton goods paid by the consumer has not gone down. Every prediction and promise made when the subsidy for cotton processors was passed has proved to be untrue.

Sixth, the bill, because of its complexities and uncertainties, ought not to be made operative for a 4-year period. The controversies on the bill demonstrate that there is no clear thinking by a consensus on the provisions of the bill. There is a deep difference of judgment growing out of the complicated, complex aspects of what we are trying to do. Yet the bill provides that the program shall continue for 4 years. In my judgment, the program ought automatically to come before Congress for review at an earlier time than at the expiration of 4 years.

The producers of scarce Soft Red Winter wheat will receive domestic certificates for 45 percent of their normal yield. Even if the Ohio producer raises high quality wheat that goes 100 percent for domestic food, his allocation would still be 45 percent of his normal yield.

During the 5-year period 1959–63, 188 million bushels of American Soft Red Winter wheat were used; 71.3 percent of that wheat went for domestic uses. Nevertheless, the Soft Red Winter wheat producer received a 45-percent allocation just as a producer received whose low quality wheat may have gone entirely to export or feed.

Mr. President, I believe that the cropland adjustment program contained in S. 1702 is based on a sound principle of long-term retirement of cropland which is not needed for current market requirements. This is a program very similar to the one which I have previously advocated and which is contained in S. 891. However, I very much fear that its effect will be seriously impaired by other features in the bill.

In the feed grains, cotton, and rice titles of S. 1702, we again have programs of tremendous expense and little likelihood of success.

We have spent over \$7 billion in the years 1961–65 on a feed grain program and may well see a record production in 1965.

COTTON

We continue a cotton program with export subsidies, mill subsidies, and producer subsidies despite the fact that the program has resulted in the prospects for the highest cotton carryover in history. The cost to the Federal Treasury for the cotton program is indefensible—over \$800 million. Despite these subsidies, the price of cotton cloth did not decline over the past year. In fact the average price of 20 cloth products has been consistently higher this year as compared to

last. Yet the combined value to farmers of cotton and cottonseed from the 1964 crop totaled \$2.5 billion, 8 percent less than the \$2.8 billion value for the 1963 crop. This was true even though the 1964 crop was as large as the 1963 crop.

The fact has been demonstrated—we cannot buy our way out of the cotton chaos. We must drastically revise the cotton program. The drain on the Federal Treasury is too great; the results are too meager. Payments to producers or to mills are not the answer. We must start from where we are and cut the subsidies drastically.

Mr. President, both the House and Senate bills contain very complex and highly expensive farm programs. The fact that these programs differ so widely in many of their aspects indicates the dilemma that we are in. It is very likely that the conference bill that finally emerges will be quite dissimilar to the bill we are now considering.

Therefore, I urge that we not pass a bill authorizing such programs for 4 years. Obviously there is a great deal of disagreement over many of the essential features of the programs. Prudence demands if this bill is passed by the Senate that the authority be limited to one year and that this Congress immediately move to the task of designing a long-term farm program which will increase farmers' opportunities, expand markets, and reduce Federal expenditures.

Mr. AIKEN. Mr. President, I yield 3 minutes to the distinguished Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, as in the case of any omnibus farm bill providing for many commodities, this bill is bound to be controversial. It is bound to contain some bad as well as some good. I am disappointed that more improvement has not been made to the bill than could have been made. I still have hope that because the bill is so much different from the bill passed by the House, the committee of conference will in effect be authorized to write a new farm bill, one which will delete from the bill now before the Senate some of the portions which I consider to be undesirable.

I made extensive comments on this point in my remarks in the committee report. I am particularly interested in what I considered to be a step forward when the committee adopted an alternate feed grains program, one which, in my judgment, is far superior to the present program, and will, I think, upon close examination by the Secretary merit being put into effect following the next feed grains year, when I understand he will follow the program.

Mr. President, I ask unanimous consent that extracts from the report as noted by me on pages 25, 26, 27, 28, and 29 of the committee report be printed at this point in the RECORD, together with that portion of my supplemental views from pages 136 through 144 with the deletions as noted.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TITLE II—FEED GRAINS

Short explanation

This title provides the Secretary of Agriculture with a choice of using either of two voluntary feed grain programs for the 1966 through 1969 crops. Subtitle A provides authority for continuation of the voluntary program in effect during the current year, but makes possible improvements in the program. Subtitle B provides an alternative program, which can be used at the Secretary's discretion, under which no price support payments would be authorized, but diversion payments could be made at levels adequate to assure program participation. Under this alternative program, land could be voluntarily diverted on either an annual or a 5-year basis.

* * * * *

Subtitle B retains many of the provisions contained in subtitle A, and differs primarily as follows:

(1) Price support for corn at 60 or 90 percent of parity (and comparable levels for grain sorghums, barley, oats, and rye).

(2) Price support payments are not authorized except up to 25 cents per bushel could be paid to participants who were unable to plant, due to natural disaster.

(3) Payments for diverting acreage to conservation uses under the 1-year diversion program could not be less than 50 percent of the county support rate on the projected yield of the acreage diverted; payments for that diverted for 5 years could not be less than 70 percent.

(4) A minimum of 40 percent of the base would have to be diverted under the 5-year diversion program.

* * * * *

BACKGROUND

This title provides for a 4-year extension of the voluntary feed grain program—1966 through 1969 crops—and is designed to consolidate the gains made by the 1961–65 programs. This legislation builds on the experience gained under the voluntary feed grain programs of the 1960's to date. The legislation is aimed at (1) reducing feed grain surplus stocks, (2) reducing costs to taxpayers, (3) providing greater freedom and flexibility to feed grain producers in their farm operations, (4) providing an opportunity to feed grain producers to maintain and strengthen their farm income, and (5) providing adequate supplies of feed grains to livestock producers and other users at fair and equitable prices.

The Secretary of Agriculture would have a choice as to whether the voluntary program authorized by subtitle A or by subtitle B could best achieve the objectives of this bill. The Department of Agriculture advises that the 1966 program would be one authorized by subtitle A. In future years, a program authorized under subtitle B could be used if farm income could be maintained or increased, production more effectively controlled, and costs reduced by such a program.

The committee received assurance from the Department representatives that there was no objection to having this alternative program in the bill and that, since the bill provides for a 4-year farm program, such an additional "tool" for the Department to use instead of the program under subtitle A would provide flexibility to meet changing situations which cannot now be foreseen. Moreover, the Department will have the time needed to contact farmers to assess their potential responsiveness to the alternate program and to evaluate it in terms of overall cost and effectiveness relative to developing situations in feed grains production.

The alternative program provided in subtitle B, like the program provided in subtitle A, seeks to meet the problem of feed grain surpluses through the diversion of acreage

devoted to the production of feed grains to soil conserving uses. However, it provides the farmer with a choice between retiring a limited portion of his feed grains acreage base for 1 year (20 percent minimum under present regulations) or retiring 40 percent of his feed grains acreage base for 5 years. Instead of providing complying farmers with both diversion payments and payments per bushel of "projected yield" on nondiverted acres, the alternate program provides only for diversion payments, but in an increased amount intended to be substantially as attractive as the combination of payments under the program established by subtitle A. Thus, the diversion payments are to be not less than 50 percent of the support price on the normal production of the diverted acres for a 1-year period; but in order to provide an incentive for farmers to choose the 5-year retirement plan (taking out at least 40 percent of their feed grains base acreage from production), diversion payments of not less than 70 percent are authorized.

As an additional incentive to participate, the alternative program provides a form of insurance to complying farmers who are not able to plant feed grains on their nondiverted acres, because of drought, flood, or other natural disaster. In such a situation, a payment of not to exceed 25 cents per bushel of expected yield may be made with respect to such acreage.

It is specifically provided that the alternative program be administered in such manner as will limit the amount of reduction in production in a county or local community area to prevent the program from adversely affecting the economy of the country or community.

It is recognized that under a 1-year program, entered into from year to year, a farmer can retire 20 percent of his base acreage, for example, in 1 year and a different 20 percent in the next year; that this enables him to bring the first 20 percent into production in the next year and, after lying fallow for 1 year, it would be more productive. Also, there is the likelihood that more of better productive land would be retired if one farmer elects to keep the same acres continuously retired for 5 years in an amount equal to at least 40 percent of his base acreage than two farmers electing to take out only 20 percent of their base acreage, with the same amount of acres being diverted in each case. Thus the alternative program is calculated to effectively achieve the reduction in production goal of the Secretary of Agriculture with a possible lower cost for the program.

It is recognized that the cropland adjustment program provided for under title V permits contracts for a period as short as 5 years and as long as 10 years. However, Department representatives indicated that efforts would be made toward longer term contracts and the retirement of whole farms and substantial portions of base grain acreage, so that if the alternative program provided under subtitle B is put into effect, it would harmonize with the program established under title V.

The remaining provisions of subtitle B are substantially the same as those contained in subtitle A.

SUPPLEMENTAL VIEWS OF MR. MILLER

The bill reported out by the Senate Committee on Agriculture and Forestry is a better bill than the one passed by the House of Representatives and much better than the bill recommended by the administration. However, as is always the case with an "omnibus" bill, it has both good and bad features—leaving the Members of the Senate with the difficult task of balancing the good against the bad in reaching a decision on how to vote.

I have said many times that there are few Members of Congress who advocate doing

away with farm programs. Studies by research economists at Iowa State University, Cornell University, Penn State University, and Oklahoma State University make it clear that without Government farm programs, net annual farm income would fall from \$12 billion (for 1964) to \$6 billion, and this would have a disastrous effect on all segments of the national economy. This is why I have consistently supported the appropriation bills for the Department of Agriculture, without which no farm program could have been put into effect. Those who speak of the "danger" of Congress doing away with farm programs at a time when the agricultural sector of our economy is not sharing fairly in the national net income, are merely throwing up a "strawman" in an effort to fool the farmers.

Nor do farmers have to be apologetic about the cost of so-called farm subsidies. The annual appropriations for the Department of Agriculture amount to around \$5 billion, but farmers receive only half of this amount through the various farm programs—the balance being used for foreign aid, Veterans' Administration, Armed Services, school lunch, disaster, and similar programs. Subsidies for American business amount to \$1.5 billion, and American labor receives subsidies amounting to over a half billion dollars. One could also point to the billions of dollars in Federal Government contracts as a source of income for American business and their employees; and billions of dollars are being spent on numerous programs designed to meet the needs of the poverty and low-income sectors of our society.

If they understand the facts about our agricultural economy, I do not believe the American taxpayers should or would complain about the costs to the Federal Government which must be met to help provide a decent living for our farmers and their families. Throughout our history, the American public has been abundantly supplied with food and raw materials for manufacturing, and prices for these goods have been low. Moreover, our Nation's farmers have furnished large quantities of food for the relief of hunger in other countries. In 1964 only 19 cents of the consumer dollar was spent for food. Ten years ago it was 22 cents. Last year it was 30 cents in Western Europe, 50 cents in Russia, and up to 90 cents in some of the underdeveloped countries. In short, our national farm policy has provided both abundance and rapid technical progress, which are of great value to the Nation. But this policy has failed, at the same time, to bring to farmers the rewards commensurate with their hard work, managerial competence, initiative, and enterprise—particularly in comparison with other segments of our economy.

Some facts about agriculture

In order to evaluate the farm programs of recent years, it is necessary to bear in mind the following:

1. From 1961 through 1964, over 2,600,000 farmers and their families left the farm.
2. From 1960 through 1964, the number of farms declined by over 470,000. The Department of Agriculture projects nearly another 100,000 decline for 1965.
3. From 1961 through 1964, farm employment dropped by 920,000, including 287,000 hired farmworkers.
4. Farm parity prices were at 81 in December of 1960 and have been consistently below this figure ever since. In fact, the figure has averaged 76.5 since October of 1962.
5. From 1961 through 1964 costs of farm production increased over \$3 billion, and farm debt increased by over \$12 billion (from \$26.2 to \$38.3 billion).
6. From 1961 through 1964, Federal Government payments to farmers under farm programs increased by \$1,475 million.

7. From 1961 through 1964, total net farm income increased by \$700 million (from \$12 to \$12.7 billion). Since "total net farm income" includes Federal Government payments, it is clear that without any increase in such payments, total net farm income for 1964 would have been \$775 million less than in 1960. In other words, farm prices were depressed \$775 million in 1964 as against 1960, which is why the parity ratio has been so poor.

8. It is true that total cash receipts from livestock and products have increased; but this is deceptive unless one realizes that the quantity marketed has increased still more, so that farmers have actually received less per unit marketed and less for their labors—not more. For example, such cash receipts amounted to \$19,929 million for 1964 as against \$19,880 million for 1963, an increase of \$49 million. But aggregate live weight of meat animals marketed in 1964 was 4 percent more in 1964, so that a comparable increase in cash receipts would have been \$795 million instead of the \$49 million actually obtained.

9. Although total net farm income in 1964 was \$700 million more than in 1960,¹ the dollar was worth 46.9 cents (yearly average) in purchasing power (compared to a 1939 dollar worth 100 cents) in 1960 as against only 44.8 cents (yearly average) in 1964. Therefore, to calculate the "real value" of the total net farm income for 1964 of \$12.700 billion, one would have to reduce it by 4.5 percent, or \$530 million, leaving a total of only \$170 million increase in real net farm income over 1960. Gross farm income in 1964 amounted to \$42.2 billion compared to \$37.9 billion in 1960, an increase of \$4.3 billion. In other words, out of \$4.3 billion increased gross income, our Nation's farmers received a real net income increase of only \$170 million, or 4 percent. The normal relation between net and gross runs around 30 percent (gross of \$42.2 billion in 1964 produced net of \$12.7 billion). During the same period (1961 through 1964), total compensation of employees in other businesses increased by over \$52 billion ("real" income). The record is clear that, since 1960, the Nation's farmers have been falling far behind the rest of the economy in their share of our national net income. Long-term comparisons are just as bad or worse. The well-known farm economist Carl H. Wilken has compiled figures comparing a base period (1946-50) to 1964, which show that wages increased 176 percent, national net income increased 140 percent, corporate profits (before taxes) increased 88 percent, and net farm income declined 16 percent.

Some conclusions

If one is willing to face the facts, it is apparent that the cost-price squeeze on farmers has been worsening.

On the cost side of the ledger, the November issue of the Farm Cost Situation, published annually by the Economic Research Service of the Department of Agriculture, shows an increase in the index of costs of goods and services used in production from 103 to 108 from 1960 through 1964. Feed, farm machinery, seed, and wages represent the largest increases. Inflation is a major factor. When the purchasing power of the dollar goes down, one cannot blame the wage earner for asking for a wage increase. Since all of his dollars are worth less, he needs more dollars to meet his family responsibilities. Many farm machinery factories operate under an escalation clause which provides for an automatic wage increase when the retail

Consumer Price Index goes up. The net result of all these reactions is an increase in farm costs of production.

On the price side of the ledger, the problem has been an excess of supply over demand (both domestic and export). Until production and consumption are brought into balance, farmers are fighting for higher prices for their production with one hand tied behind their backs. Farm programs have been designed to achieve this balance so that farmers will receive fair prices, and while these programs are supposedly moving toward this objective, Government payments to farmers through the various programs are provided as a means of seeing them through the difficult transition period.

It is alarming to farmers that notwithstanding substantially increased costs of farm programs, farm prices have remained depressed. And the programs themselves do not appear to be effecting the reduction in production required to bring about a balance with consumption. I have the uneasy feeling that some of my colleagues prefer to wink their eyes at the capitalistic economic system when it comes to agriculture in favor of "cheap" food and "cheap" feed, but whatever their motivation they should not use our farmers and their families as pawns in their game of market control. Their voices would be among the first to be raised if the Federal Government imposed wage or price controls for industries in their States.

Evaluation of the bill

Like the House bill and unlike the administration's bill, the bill reported by the committee leaves the processing tax on wheat milled for domestic consumption at approximately 75 cents per bushel. The administration would have increased this by 50 cents per bushel to around \$1.25. While this is one way to increase the income of wheat farmers, it does so in a way that bears most heavily on large family, low-income groups. Naturally the flour millers pass the additional cost on to the bakers, who in turn pass the additional cost on to the consumers, principally through an increase in bread prices. Whether the wheat certificate costs 75 cents or \$1.25, the principle is wrong, and this is one reason why I voted against the cotton-wheat bill last year. Government price supports for farmers should be paid for out of the general fund of the Treasury into which tax money is largely paid on the basis of relative ability to pay.

The administration bill would have provided an exemption for wheat milled for other than human consumption, thus bringing about an artificially low price for wheat clears used for starch. This would have had a seriously disruptive effect on the cornstarch industry, which uses in the neighborhood of 300 million bushels of corn annually. The committee bill meets this problem so that the wheat starch industry will not be prejudiced in relation to competition from foreign imports while at the same time preserving the relative shares of the market of the wheat and cornstarch industries.

The committee bill continues the multiple-price program for wheat resulting in an artificially high price for food wheat and an artificially low price for feed wheat which, of course, competes with regular feed grains still in overproduction. The danger to regular feed grains from this artificial, Government-sponsored competition is revealed by the following figures on sales of wheat for feed:

[In millions of bushels]

Marketing year:	Quantity
1960-64 (average).....	41
1964-65.....	72
1965-66 (estimated).....	95

The committee bill is defective in that it continues the power of the Secretary of Agriculture, through sales by the Commodity

¹ \$12 billion for 1960 and \$12.7 billion for 1964, according to Economic Indicators for July 1965, prepared for the Joint Economic Committee by the President's Council of Economic Advisers.

Credit Corporation, to depress the market price of grains. This action, of course, has been taken in the past for the purpose of "encouraging" farmers to "voluntarily" participate in the programs; but the result has been a lowering of farm income generally. It is true that surplus stocks have been reduced, resulting in a savings to taxpayers through reduced storage costs of such stocks, but this has been at the expense of a segment of our economy which has not been receiving its fair share of our national net income. Some idea of the relationship between large disposals of Commodity Credit Corporation stocks can be obtained from the table set forth below:

[In bushels]

Month	Quantity of CCC sales	Average price No. 2 corn Chicago market
October 1961.....	36,328,886	\$1.12
November 1961.....	43,401,624	1.12½
December 1961.....	73,977,718	1.12½
January 1962.....	109,121,759	1.09
February 1962.....	113,091,495	1.10
March 1962.....	214,091,495	1.12
April 1962.....	159,351,950	1.14
May 1962.....	86,514,940	1.16½
June 1962.....	91,946,649	1.15½
July 1962.....	4,739,862	1.14
August 1962.....	15,298,448	1.11
September 1962.....	22,829,715	1.13
October 1962.....	48,071,730	1.13
November 1962.....	41,790,605	1.10
December 1962.....	44,041,933	1.16
January 1963.....	62,297,911	1.19
February 1963.....	87,654,186	1.21
March 1963.....	162,999,412	1.22
April 1963.....	96,224,168	1.21
May 1963.....	78,610,432	1.24
June 1963.....	84,987,788	1.31
July 1963.....	1,488,507	1.33½
August 1963.....	12,095,861	1.33
September 1963.....	20,846,425	1.36
October 1963.....	16,096,342	1.25½
November 1963.....	14,958,929	1.17
December 1963.....	13,510,265	1.22½
January 1964.....	24,159,603	1.24
February 1964.....	27,358,474	1.22
March 1964.....	19,058,069	1.24½
April 1964.....	13,653,048	1.26
May 1964.....	8,172,163	1.29
June 1964.....	21,902,406	1.27½
July 1964.....	1,105,504	1.25
August 1964.....	4,026,550	1.26
September 1964.....	3,515,475	1.29
October 1964.....	4,191,798	1.23
November 1964.....	4,415,923	1.19½
December 1964.....	4,885,740	1.27½
January 1965.....	25,497,367	1.29
February 1965.....	61,440,178	1.31
March 1965.....	55,129,660	1.33
April 1965.....	63,962,681	1.35
May 1965.....	41,190,156	1.37½

Present law requires that Commodity Credit Corporation stocks be disposed at not less than 105 percent of the loan price plus "reasonable carrying charges." The Department interprets this to mean 105 percent of \$1.10 for 1964 corn, or \$1.15½. Its interpretation of "reasonable carrying charges" is interesting. These are computed at 1½ cents per month, starting in October and running through July, with nothing for August and September. Then the charges are dropped, and the 1½ cents per month starts all over again in October. Thus, using the \$1.15½ as a base, the Department is able to add from 1½ to 15 cents per bushel onto the disposal price. It would seem that the variation of as much as 15 cents per bushel during a year has a tendency to unbalance the market.

The Secretary of Agriculture has made it clear that he has fully intended to use his power to dispose of Commodity Credit Corporation stocks as a means of depressing the market. Thus, he testified before the House Agriculture Committee:

"We must not yield to the temptation to make prices so high that the programs become unworkable."

And again:

"To interpret the feed grains situation, we must remember that in 1961 and 1962, heavy

sales of feed grains by Commodity Credit Corporation were an integral part of the program. Congress intended and Congress directed Commodity Credit Corporation to sell corn to keep prices below supports to make the program effective." (Hearings before the Committee on Agriculture, House of Representatives, 89th Cong., 1st sess., Apr. 6, 1965, pp. 10-11.)

The Secretary did not reveal where such "intention" by Congress was set forth, but the fact that Congress gave him so much discretion in disposing of Commodity Credit Corporation stocks might be said to "intend" the consequences of the grant of such power. In any event, it is time for the Congress to curtail this power by placing a higher disposal price on the sale of such stocks.

It might be pointed out that the supply of feed grains is down to around a 4½-month supply. The Department of Agriculture "tentatively" suggests that a national security reserve level of 3½ months is required (p. 1369 of hearings), so that the opportunity for the Commodity Credit Corporation to depress the market by disposing of its stocks is somewhat more limited than it has been. The committee, unwisely in my opinion, decided to not legislate minimum national security reserves of stocks for grain—although earlier this year in his farm message the President recommended that such reserves be established.

An evaluation of the feed grains title appears below.

Feed grains

The feed grains program provided by the Congress prior to 1961 was anything but successful. However, to claim that the programs provided by Congress in 1961 and subsequent years are an "improvement" over what went before does not necessarily mean that they have been a "success." Nor is it responsive to say that the programs for 1961 through 1965 are better than no programs at all. It is claimed that a net reduction in carryover of feed grain stocks for the years 1961 through 1964 amounted to 29 million tons. But this reduction was not due to the new feed grains program, because the reduction is more than accounted for by a reduction in the production of barley and oats (not covered by the feed grains program) totaling 12.5 million tons; and by an increase in domestic use and exports totaling 23.5 million tons.

The 1961 so-called emergency feed grains program was extended in 1961 to cover the 1962 crop, and in 1962 to cover the 1963 crop year with some alleged "improvements"; and it was further extended to cover the 1964 and 1965 crop years with some more alleged "improvements."

Unfortunately these "improvements" haven't worked. Since 1961, production of feed grains has increased 16.9 million tons. Production of corn, grain sorghums, and barley for 1961 totaled 124.4 million tons. It increased to 126.6 million tons in 1962; and to 140.7 million tons in 1963. In 1964, a year characterized by abnormal drought conditions, the total was 122.8 million tons.

Apologists for the present program say that what is needed is "more compliance"; that the loan price for corn, for example, should be lowered to "force" more farmers to "voluntarily" come into the program. For 1965 the support price for those who are in the program is \$1.25, with a loan price of \$1.05 and a payment of 20 cents per bushel of projected yield on nondiverted acres. In 1964 the loan price was \$1.10 with a 15-cent-per-bushel payment. Now there is talk of the Secretary's dropping the loan price to \$1 with a 25-cent-per-bushel payment for 1966.

The trouble with this approach is that it ignores the fact that what is wrong is not so much the number of farmers who are in the program as the quality of their com-

pliance. In Iowa, one of the two leading corn-producing States, 65 percent of the farmers are in the program. On the other hand, only about 25 percent of the corn acreage has been diverted from production. What is needed is more diversion of better productive acres from production. A mandatory program is not needed as some have suggested. Also, it is doubtful that a further reduction in the loan price is going to be effective in bringing more farmers into the program, because (a) a number of smaller farmers cannot afford to reduce their feed grains acreage and make a living; (b) a number of farmers who followed recommended crop planting methods were left with too low a base acreage in comparison with their neighbors who had overplanted their acreage to feed grains; and (c) a large number of farmers feed their own feed grains production and prefer to take their chances with the livestock market.

Under the present program, a farmer can qualify by retiring only 20 percent of his base feed grains acreage. The next year he can qualify by retiring a different 20 percent of his acreage, bringing back into production the acres which have lain fallow for a year and which will be more productive as a result. Moreover, it is only natural that the poorest 20 percent of the feed grains base will be retired each year.

The committee would continue this program notwithstanding its obvious defects. And authority in the Secretary to further reduce the loan price and increase the payments per bushel of projected production on nondiverted acres has been provided under section 201 of subtitle A as follows:

"Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price support and diversion program inure primarily to those producers who cooperate in reducing their acreage of feed grains shall be made available to producers through payments-in-kind. * * * That portion of the support price which is made available through loans and purchases for the 1966 through 1969 crops may be reduced below the loan level for the 1965 crop (\$1.05) by such amounts and in such stages as may be necessary to promote increased participation in the feed grain program, taking into account increases in yields, but so as not to disrupt the feed grain and livestock economy: *Provided*, That this authority shall not be construed to modify or affect the Secretary's discretion to maintain or increase total price support levels to cooperators."

Present law provides for price support between 65 and 90 percent of parity, which is currently calculated at \$1.58 per bushel of corn. Thus the support price is set at \$1.25 per bushel for 1965. Under section 201 of the committee bill, the Secretary could drop the loan price to below \$1 and make up the difference by increased production payments as long as this does not "disrupt the feed grain and livestock economy." It is my view that this type program has been given ample opportunity to work, and that the record is clear that it has not worked and has at the same time cost the taxpayers a great and increasing amount of money. I don't believe that they would or should be heard to complain if the program was resulting in a reduction in production, but when it has resulted in increased production their complaints are understandable.

Alternative program

Although the committee refused to substitute a program which would overcome the defects in the present program, it did write into the bill an alternative feed grains program which the Secretary may decide to change over to as the situation develops during the next 4 years. It is impossible for anyone to forecast developments, and since

the bill is designed to legislate for the years 1966 through 1969, it would seem prudent to give the Secretary another "tool" to use when he finds that the continued use of the present program is not producing the results intended at a reasonable cost to the taxpayers.

The principal differences between the program authorized under subtitle A and the alternative program authorized under subtitle B are these:

1. The alternative program offers a feed grains farmer a choice between a 1- and a 5-year program. Under the 1-year program he can retire the minimum amount prescribed by the Secretary (currently 20 percent of his feed grains base). Under the 5-year program he must retire at least 40 percent of his feed grains base.

2. With a view to encouraging farmers to retire 40 percent of their feed grains base and keep this retired for 5 years, payments for diversion under the 5-year program would be substantially higher. The Secretary is authorized to pay not less than 50 percent of the support price on the projected yield of the acreage diverted from production for 1-year contracts; and not less than 70 percent for 5-year contracts.

3. Under the alternative program, there would be only diversion payments (much higher than under the present program) and no production payments, as under the present program.

4. A form of insurance to compliers would be furnished by providing that where they are unable to plant on their nondiverted acres due to flood, drought, or other natural disaster, they will receive a payment of not to exceed 25 cents per bushel on their projected yield.

An example of how the alternative program would work in comparison with the present program is set forth below. The example assumes the case of a farmer having a 100-acre corn base acreage with projected yield of 80 bushels per acre and \$1.05 loan price established by the Secretary. It further assumes that the Secretary decides to pay at a rate of 70 and 85 percent for diversion payments on the 1- and 5-year programs, respectively. (NOTE.—If the loan price was set at \$1.10 per bushel, for example, the diversion payment rate could be lowered to result in a like amount of income to the complier.)

1. If the farmers retired 20 percent or 20 acres

Under Present Program

He receives one-fifth of the support price of \$1.25 (\$1.05 loan plus 20 cents payment), or 25 cents per bushel, or \$20 per acre, or \$400 diversion payment.

He also receives 20 cents per bushel of projected yield of 80 bushels per acre on the remaining 80 acres, or 6,400 bushels, or \$1,280.

Total received under present program: \$400 plus \$1,280 equals \$1,680.

Under Alternative Program

He receives a diversion payment of 70 percent of loan price of \$1.05, or 73½ cents per bushel, or \$58.80 per acre, or \$1,176.

2. If the farmer retires 40 percent or 40 acres

Under Present Program

He receives the higher rate on all 40 acres, or 50 percent of price support of \$1.25, or 62½ cents per bushel, or \$50 per acre, or \$2,000 diversion payment.

He also receives 20 cents per bushel of projected yield of 80 bushels per acre on the remaining 60 acres, or 4,800 bushels, or \$960.

Total received under present program: \$2,000 plus \$960 equals \$2,960.

Under Alternate Program

He receives a diversion payment of 85 percent of loan price of \$1.05, or 89¼ cents per bushel, or \$71.40 per acre, or \$2,856.

From the foregoing, it may be noted that it is costing taxpayers \$84 per acre to retire 20 acres for 1 year (\$1,680 total payments

divided by 20). Under the alternate program it would cost \$58.80.

Where 40 acres are retired, it is costing taxpayers \$74 per acre, whereas under the alternate program it would cost \$71.40 per acre.

Thus it is seen that under the present program, there is far more incentive to retire only 20 percent of the base acreage. Under the alternate program there is far more incentive to retire 40 percent of the base acreage. The alternate program places the incentive where it should be if better results are to be obtained.

It should also be pointed out that under the alternate program it is provided that the Secretary is to administer it in such a way as to limit the amount of production retired in a county or community area so that the business economy of the county or community area will not be adversely affected.

JACK MILLER.

Mr. AIKEN. Mr. President, I yield 3 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I shall vote "nay" on the farm bill. I think it is still a makeshift bill which fails to take account of the enormous shift of population from the farm and the enormous needs of the consumers. We must get a much better and sounder policy before we properly and prudently spend this huge amount of Government money.

I certainly favor the stated overall objectives of H.R. 9811, the Food and Agriculture Act of 1965; namely, the need for maintaining farm income, stabilizing prices, assuring adequate supplies of agricultural commodities, reducing surpluses, lowering Government costs, promoting foreign trade, and providing greater economic opportunity in rural areas. These bill's objectives are absolutely essential to this Nation's agricultural economy and should be implemented. But in totality this bill does not effectively carry out these objectives. I believe the cotton provisions of the bill as contained now in the Talmadge amendment which the Senate approved on the floor and which I supported and voted for does carry out many of these important objectives. In endeavoring to obtain "one-price cotton" the new cotton provisions of the bill will do much to improve the competitive position of this country's textile industry. A major part of the textile industry is located in New York. I believe the textile industry will be aided materially by the Talmadge amendment which incorporates the principle of Government loans to cotton farmers at a level which will permit and encourage the movement of cotton into expanded trade channels. U.S. cotton is expected to be fully competitive in world markets with foreign produced cotton and surplus stocks of cotton are expected to be reduced as well as Government storage costs. I believe the new one-price cotton plan as passed by the Senate and in essentially the same form in the House will help the textile industry and I support it.

However, as happened last year, farm programs which probably could not have passed independently, were thrown together in a package in the House committee in an omnibus bill, in an effort to obtain support for all the component programs. I believe this procedure is most unfortunate in that it prevents

consideration by the Members of Congress of the individual commodity programs on their own merits. The practice of jamming imperfect bills together impairs the capacity of the Congress to improve and perfect the individual programs.

Among the problems presented by the bill are:

The base excess production quota dairy plan which the Senate included in the bill by a vote of 57 to 27 yesterday afternoon is, in my judgment, on the whole inadvisable. This plan, as it was on October 10, 1963, was opposed by almost every Senator representing the Northeast portion of this country. A substantial number of the dairymen in my State have opposed the plan and strongly resist the principle of tight controls on dairy production. In my judgment, it is not in the best interest of our dairymen or consumer to permit the imposition of tight production controls. I do not believe that the curtailment of productive incentive for a sustained period provides the best method of improving the dairyman's income. As I mentioned yesterday, there is a marked lack of consensus among representatives of the dairy industry behind this plan which the Senate adopted and noticeable lack of enthusiasm by the administration as indicated by testimony by the Department of Agriculture before both the House and Senate Agriculture Committees. The Senate Agriculture Committee by an overwhelming vote chose to eliminate the base excess dairy plan from this bill.

Also, I am not in accord with the provisions of the bill which permit the continuation of the processing tax on wheat milled for domestic consumption at approximately 75 cents per bushel for 1966 and possibly more for 1967 and subsequent years. The administration's original proposal would have increased this so-called bread tax by 50 cents per bushel, the increase, it was expected, being passed on by the flour millers to the bakers and then on to the consumers. The House bill was rewritten to prevent the imposition of this additional burden by requiring financing of the additional 50 cents from Treasury general revenues. While the Senate bill differs from the House wheat program, it does provide a possibility that the burden of the 50-cent increase may be transferred from the Treasury to the processor for the 1967 and subsequent crops and, in turn, would permit the processor to pass on this additional cost to the consumer in the form of increased bread prices, which would, of course, have the most serious economic impact on low income families.

Consequently, while I support the important cotton provisions of the bill which the Senate adopted on the floor in the form of the Talmadge "one price" cotton plan, I cannot support the bill as a whole. I very much hope that future farm legislation will be considered on the basis of the recommendations of the U.S. Food and Fiber Policy Commission which I, together with the Senator from Delaware [Mr. Boggs], the Senator from Texas [Mr. Tower], and the Senator from Vermont [Mr. Aiken] called for

today, and which the majority leader advised us will be appointed within the month by the President, and will be available for an improved farm program.

Mr. AIKEN. Mr. President, the Senator from New York has made an excellent statement about the bill. I shall, however, vote "Yea."

Mr. MANSFIELD. Mr. President, I yield 2 minutes to the Senator from Rhode Island.

Mr. PELL. Mr. President, I support the pending bill together with the Talmadge one-price cotton amendment, but I must say that I approach both the amendment and the committee bill with a sense of regret and reservation.

With regard to the Talmadge amendment, I must say that I do not believe that our ailing textile industry can be cured by piling subsidy upon subsidy. It would be far preferable if our domestic industries did not have to contend with an artificial price structure in acquiring their raw materials. But since they do, the Talmadge amendment at least means that our domestic textile mills can at least enjoy the initial opportunity, which they should have, of buying their raw materials on the same basis as mills outside the United States. In the past, we have had an unconscionable system whereby U.S. taxpayers subsidized the purchase of U.S. cotton abroad, but under which equal treatment was denied to domestic users of cotton. Under the one-price system, the domestic mills at least have been given an equal break at the starting line, as it were, and I believe the system should be continued. But while I have voted for the Talmadge amendment, I must emphasize that while I believe it improves a questionable bill, I am not overwhelmed by the merits of the principal bill itself.

On past agricultural bills, I have frequently voted to support measures which seemed to decrease surpluses and diminish artificial stimulation of our farm economy and to oppose measures which seemed to overly subsidize one element of our economy and to expand artificial stimulation of that economy. I shall continue to do so.

In the present case, I must say that there have been pervasive forces within my constituency which have favored at least those portions of the bill which deal with the production of fibers so essential to our New England textile industry. Last week, for example, the Governor of my State telephoned my office to urge continuation of the one-price cotton system. His call was followed by a visit from influential businessmen, leaders in the textile industry, with the same message. Their official trade organization, the Northern Textile Association, then followed with a most persuasive letter, pointing out that 23 percent of Rhode Island's manufacturing employment is involved in the textile business and therefore greatly is dependent, one way or another, on continuation of the present cotton and woolen programs. I ask unanimous consent that the text of this letter be printed in the RECORD at the conclusion of my remarks. I also ask unanimous consent that an editorial from the Providence

Evening Bulletin entitled "Dropping One-Price Cotton Would Be a Senseless Step," be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, these are persuasive voices in support of the one-price cotton provision of the farm bill. But I must say that I regret exceedingly that we are not given the opportunity to vote separately on the different portions of the bill relating to separate sectors of the farm economy. It seems to me an outrageous imposition on our loyalties that we from New England, in order to help our struggling industries, must also accept as part and parcel of the same bill, a jerry-built structure of price supports for such unrelated crops as wheat, rice and feed grains. We are given no opportunity to sort out those elements of the programs which may provide Government assistance where it is least needed, or which may be perpetuating drastic chaos in the natural relationship of supply and demand. Such legislation really offers us no opportunity to exercise legislative selection and judgment and I regret that it comes before us at all. Only the most pressing involvement of my constituency in what amounts to a small part of the bill compels me to support this legislation.

I realize, too, that we as U.S. Senators must think of the overall effect of such legislation. And I realize too that the total cost to the Nation of our farm programs will be more rather than less if no farm bill is passed and we revert to older support plans, or as in the case of wheat face the prospect of vastly expanded production and storage. The costs of our present programs, for example, are \$3.840 billion, while under the provisions of H.R. 9811 as it passed the House they will drop to \$3.796 billion. Only in the light of these facts can I cast my vote with reluctance for this legislation.

EXHIBIT 1

H.R. 9811

NORTHERN TEXTILE ASSOCIATION,
Boston, Mass., September 7, 1965.

Hon. CLABORNE PELL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PELL: We in the New England textile industry are dismayed by the action of the Senate Agriculture Committee in reporting a farm bill which would reestablish a two-price system for the sale of American cotton. The Agriculture Committee last week in considering H.R. 9811, which has been adopted by the House, voted substantial changes in the cotton section which would set up a system whereby cotton is sold to American mills at one price and sold for export to foreign competitors at a substantially lower price. We consider this inequitable and unfair and damaging not only to the textile mills but to the raw cotton industry as well.

The National Cotton Council says of the committee bill: "It would turn back the clock to a system which has failed and which would destroy the American raw cotton industry." The New York Cotton Exchange points out that foreign mills would be subsidized by anywhere from 5 to 12 cents a pound or as much as 40 percent lower than the American price, and that the selling procedure for export would amount to dumping.

Textile manufacturers have characterized the committee proposal as tragic.

As you will recall, one-price cotton was established in 1964 for 2 years. The cotton textile industry responded to the 1964 legislation by increased employment, increased consumption of cotton, increased capital expenditures, and increased earnings for workers and investors. It would be most unfortunate to return now to a two-price system advocated by the Agriculture Committee. If no legislation is enacted, we would also automatically return to a discriminatory two-price system. Imports of cotton textiles into this country already exceed 1 billion square yards annually.

H.R. 9811 as adopted by the House will reduce the cost of the present program by \$100 million annually by providing incentives to farmers to reduce acreage and overproduction and by providing a lower loan level to stimulate exports. Payments would no longer be made to mills, but would be made directly to the cotton growers. Cotton would be marketed through the regular free channels of trade instead of piling up in warehouses at great expense to the Government.

We realize that certain cotton growers do not support the House-passed version and have succeeded in having the Agriculture Committee report a two-price bill with relatively high supports and a subsidy provision. The committee bill is contrary to the position of the administration. It is our understanding that Senator TALMADGE will introduce an amendment which would substitute a cotton section substantially similar to that contained in the House bill. We respectfully urge you to support this amendment and if adopted to support the passage of H.R. 9811.

As you know, there are still in New England 100,000 workers in textiles and an additional 100,000 engaged in producing apparel. Together they account for 13 percent of New England and 23 percent of Rhode Island manufacturing employment.

Enactment of this legislation is important not only to the cotton mills but to the wool textile mills in New England because it extends the National Wool Act of 1954 for 4 years and provides incentive payments to growers to encourage the production of raw wool.

New England mills manufacture one-half of the wool fabrics produced in the United States, and the continuation of a substantial supply of raw wool in this country is of obvious importance to us. At present, about one-half the raw wool domestically consumed is produced in the United States. If the act is not renewed, U.S. raw wool production would undoubtedly decline further and the domestic wool industry would be even more dependent on foreign stocks. We believe that it is in the national interest, both in peace and war, to encourage production of raw wool in this country.

A number of our mill representatives are planning to come to Washington on Wednesday and Thursday of this week and I hope that we will have an opportunity to talk with you about these matters personally before debate begins.

Very truly yours,

WILLIAM F. SULLIVAN.

DROPPING ONE-PRICE COTTON WOULD BE A SENSELESS STEP

If anything needs knocking down in a hurry, it is this notion in the Senate Agriculture Committee that the one-price cotton system which is now law, should be abandoned.

In a closed-door session, secret because the committee has not completed action on cotton, it was voted eight to seven not to continue equalized prices for another 4 years.

That leaves the committee, unless it does something about it, with a program proposed by committee chairman, ALLEN J. ELLENDER,

Democrat, of Louisiana, which calls for 3-cents-a-pound payment instead of full equalization to "persons other than producers" or, in other words, cotton mills.

Up to the time when the existing law was passed, cotton was sold to mills at the U.S. support price which was 6 to 8 cents higher than world market prices. Foreign competitors of the mills thus had a 6- to 8-cent cost advantage which they put to good use in manufacturing cotton fabrics for shipment into this country at prices domestic mills simply could not meet.

It took a long time to convince Congress that this kind of competition was wrong, but finally the present law was passed which provides for Government payment to mills of the difference between the U.S. support price and world prices.

Now Senator ELLENDER wants to go back to something approaching the old dual price system. He has managed to prevail, persuading a majority of the Agriculture Committee to accept his complicated proposal.

This may be a good deal for Louisiana cottongrowers, but it makes no sense at all, either for mills having to compete with foreign producers or for that segment of the U.S. economy depending on textiles, and it is large.

The Senate Agriculture Committee went fully into the pros and cons of dual cotton prices and foreign competition when the existing law was passed. It ought to remember this, get back on track, and continue the only system that gives U.S. mills a fair shake in the competitive open market.

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, as one who has been privileged to represent the greatest agricultural State, for over 20 years, I feel I should help put the record straight on the way we are swiftly moving with agricultural programs.

Current Government programs have failed and will continue to fail if the bill now before the Senate should become law. As I study this bill, I am convinced that it would just place more patches on a wornout, discredited program.

What is the record of the farm programs we have had these last 5 years?

They claim to protect the family farm, yet in these last 5 years the farm population has decreased about 3 million.

Net budget expenditures for USDA for fiscal year ending July 1, 1965, were \$7.3 billion, the third highest on record. They amounted to \$7.7 billion in fiscal 1963 and \$7.9 billion in 1964. This compared with \$5.4 billion for the year ending July 1 1960. Who in agriculture is proud of this? Problems do not go away just by throwing money at them—there must be constructive use of the money; spending should have a purpose.

The parity ratio—at 75 percent—average for the entire year of 1964, averaged the lowest since 1934. I have heard no one brag about this fact.

Realized net farm income, at \$12.9 billion, in 1964, was up from \$12.5 billion in 1963. This \$400 million increase in realized net farm income was \$81 million less than the \$481 million increase in direct Government payments to farmers in 1964 as compared to 1963. It takes real genius to write checks to farmers for an additional \$481 million in order to raise realized net farm income \$400 million. What happened to the other \$81 million?

In 1964 about \$2.1 billion of the \$12.9 billion in realized net farm income was in direct payments from Government to farmers. In 1965 close to \$2.5 billion will be in direct payments to farmers. Thus, we have the unhappy and dangerous spectacle of about 20 percent of total realized net farm income being paid by direct payments to farmers from the Federal Treasury. Who on this floor is there to boast about this fact? The farmer would prefer to get his income in the marketplace—but this omnibus bill would increase the ratio of direct payments and the dependence on the Government, and lower the ceiling further on the farmer's receipts in the market.

In spite of the continued heavy Federal payments to farmers and total USDA expenditures—at an alltime high—because of the so-called emergency programs for feed grains, wheat, and cotton, the amount of commodities under price support programs and in CCC inventory continue to be extremely large. As of May 31, 1965—the latest available figure I have—CCC had \$13.5 billion of its \$14.5 billion in use. Is this anything to brag about?

Expanded use of direct Federal Government payments to farmers to offset depressed market prices, caused by unwise Government programs, continues. In many cases Government programs and dumping of CCC stocks have helped depress market prices.

By design, now, we have Government programs to hold the domestic market price down to world price or below, so that direct payment to farmers from the Government can be used to force compliance with the programs. The new concept is to hold the domestic market price down rather than use Government influence to increase market prices to farmers.

Many people in and out of Congress have promoted unworkable market-wrecking farm programs that have failed. These same people, in order to cover up this failure, are now the strongest advocates of direct-payment programs.

We now have various forms of compensatory payment programs for feed grains, wheat, cotton, sugar, and wool. This list has grown each year and is the prime reason why the USDA budget annual expenditures have averaged the highest on record the last 3 years—\$7.7 billion.

Congress realized back in the late 1940's, when the Brannan plan direct-payment approach was made, how futile and costly this type of program would be, if applied to all of agriculture. They wisely rejected the approach. Now it is creeping up on us step by step, encouraged by cheap food and fiber advocates who do not believe in the market system. The surest way for Government controllers to take over is to force farmers to get their incomes from checks from the Federal Government.

This year will be the fifth year of the so-called emergency feed grain program.

In the face of strong producer opposition to compulsory controls on feed grain production, Congress rejected the compulsory approach and extended the

emergency program on three separate occasions.

The program now uses compensatory payments and a low loan rate in order to bribe or force compliance.

The program has been one of the most expensive of any program we have had for any commodity since the beginning of farm programs in the early 1930's.

Feed grain program costs and acres diverted

Crop year	Acres diverted	Payments to farmers
1961.....	26,700,000	\$782,000,000
1962.....	32,700,000	843,000,000
1963.....	25,700,000	845,000,000
1964.....	34,300,000	1,171,000,000
1965 (estimate).....	36,700,000	1,600,000,000
Total.....	156,100,000	5,241,000,000

In spite of this expenditure of money, the August crop report of USDA indicates an all-time-high record feed grain production in 1965. In 1963 we also had an all-time-high feed grain production up to that time.

Feed grain carryover has been reduced, but not as much as feed grain consumption has increased, since the beginning of the feed grain program. The increased feed grain consumption—because of CCC dumping of feed grain stocks in order to hold prices down to force compliance—helped cause the depressed livestock prices in 1963 and 1964. I believe analysis would show this loss to livestock producers was far more than the payments made under the feed grain program. When will Congress and the administration give the feed grain producer and the livestock producer a fair shake?

The current wheat certificate program is a stopgap 2-year program, which was put into effect after a majority of the producers voting in a 1963 referendum had rejected a similar program.

Here are a few facts that should be considered in evaluating this program as well as its extension in this bill before us.

First. Farmers from my State have long opposed the principle of multiple price plans because the Government rigged pricing is detrimental to producers of other crops and livestock and poultry. Wheat used for feed in competition with feed grains under this program has jumped from 1960 to 1964—average—of 41 to 95 million bushels this year and is still increasing. This is unfair to feed grain producers, for it adds considerably to the feed supply and forces down the market price. Cheap feed means cheap hogs, beef, and poultry—as any farmer knows.

Second. The certificate plan for wheat is a bread and flour tax on the user of the product; only part of the certificate cost is to be paid from general revenues.

Third. The certificate plan does not give producers a choice between supported prices and a free market.

Fourth. The use of CCC stocks to depress prices—a key necessity of the certificate plan—imperils the market system. The program is designed to hold the market price down to feed grain price level. The administration has succeeded in defeating any amendment to

prevent CCC dumping on the market at some level higher than 105 percent of loan level—it wants this power to break the market.

Fifth. Wheat acreage is increasing under the certificate plan.

Wheat production, according to the USDA August crop report, is up 7 percent from last year and 16 percent above average.

It has now been proven that the 1964 emergency cotton law, in effect for the 1964 and 1965 crops, has failed to fulfill the claims made for it at the time it became law last year. Proponents of the current law claimed that under the program consumption of cotton would increase, cost to the U.S. taxpayer would decline, consumer prices of cotton goods would be lowered, the upward trend in manmade fiber use would be halted, and farm income from cotton would be maintained.

As Al Smith once said, "Let's look at the record."

First. Cotton consumption did increase domestically but much less than the increase shown by manmade fibers. Cotton's share of the fiber market actually dropped by more than a full percentage point.

Second. Exports of cotton for the marketing year ending August 1, 1965, are now estimated to be down by a fifth or more from a year earlier.

Third. Total cost of the cotton program ran to more than \$900 million, far exceeding the cost of the previous program.

Fourth. Prices of cotton cloth did not decline; in fact, the average price of 20 cloth constructions was 64.65 cents in May 1965, compared to 61.29 cents in May 1964.

Fifth. Cotton mill margins in May 1965, as reported for 20 major cloth constructions, averaged 37.30 cents compared to 25.62 cents in May 1964.

Sixth. The combined value to farmers of cotton and cottonseed from the 1964 crop totaled \$2.546 million, or more than 8 percent less than the value of \$2.784 million from the 1963 crop. The production in 1964 was about the same as 1963.

Seventh. Carryover of cotton is up again dramatically. The USDA cotton situation of July 26, 1965, indicates that carryover of cotton on August 1, 1965, at 14.2 million bales was estimated to be at the highest level since the alltime high record set in 1956. The carryover is up 2 million bales from just 1 year earlier. If anyone calls this a success story, I do not know the meaning of the word.

Mr. MANSFIELD. Mr. President, I yield 2 minutes to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, there is indeed irony in the situation that exists with regard to agriculture in the United States and in the rest of the world. We have developed our agricultural efficiency to the point where we can easily produce much more than we need. Much of the rest of the world, meanwhile, and many of our own people suffer in an agony of hunger.

Our own ability to produce more than we need would be fine, were it not for

the operation of the inexorable law of supply and demand. It is elementary economics that in a free market, if supply exceeds demand at a given price, the price will fall. Because we are a humane society, we would not stand idly by when it became apparent that our agricultural productivity was increasing to the point where if nothing was done, farm incomes would fall drastically, millions of farmers would lose the fruits of the toil of many generations, and poverty and misery would descend upon rural America.

And so the Federal Government stepped into the agricultural picture with programs aimed at easing the transition to an extremely high productivity agricultural sector. Our objectives all this time, as I understand them, have been to maintain farm income, to assure adequate supplies of agricultural commodities, and to reduce agricultural surpluses.

Mr. President, I believe the time is coming when we are going to have to expand this list of objectives. For we as a nation have dedicated ourselves to the eradication of poverty in our midst. Thus far we have not used all the resources at our disposal.

We are talking about cutting back agricultural production when we cannot feed all our people properly. A former Director of the Bureau of the Budget, a very able economist but mistaken in his analysis of agriculture, argues for the removal of millions of farmers from the land to the cities, when in 1963 probably one-third of the excessive unemployment was due to workers forced off the land during the previous decade.

The fact is that we have not been making optimum use of our agricultural productivity. And now that we have made a commitment to aid the poor among us, we should give thought to our agriculture programs in connection with our war on poverty.

And so I urge the Secretary of Agriculture to institute a study and come back to Congress next year with a report on how the agricultural sector of our economy can more effectively be utilized to deal with unemployment and undernourishment in this country. We have been rather shortsighted and unimaginative thus far. I do not believe it is asking for the impossible to suggest that fresh ideas may come from a Government bureau; it has happened before, but in agriculture we are suffering from an inability to take a large enough view of the situation. Our agricultural programs should be more to our country than they have been.

For the next few immediate years, and in terms of our traditional concepts of agriculture programs, this farm bill is very important.

COTTON

The cotton section of the bill is of immense importance to my State, the leading cotton-producing State. Although I favored the cotton section as reported out by the Senate Agriculture Committee, I am hopeful this cotton program adopted by the Senate and so ably presented by the distinguished junior Sena-

tor from Georgia, will accomplish what it is intended to. It is far better than the House bill. I believe it to be a good bill also. It will provide a basic price support for cotton at a rate not to exceed 90 percent of the world market price. For the 1966 crop the price will be set at 21 cents per pound. In addition, a cash payment of at least 9 cents per pound will be made to offset the lower price support of 21 cents per pound in the new program. Finally, acreage diversion payments will be made to farmers who divert up to 35 percent of their domestic allotment. This payment shall be not less than one-half of the basic price support. Farms of 10 acres or less will not have to divert in order to receive payments under this provision, because they are so small already that requiring them to reduce their activity still further would not serve a useful purpose, but would reduce their already small incomes to a disastrously low point.

WHEAT

Mr. President, wheat brings in cash receipts of \$1,786 million annually. The wheat program in the bill would boost the price for wheat to about \$1.90 per bushel, \$0.09 higher than in the House bill. The price support would be about \$1.25 per bushel. Then direct payments would bring the price to the farmer up to at least \$1.90. This is a voluntary program. Farmers who wish to participate must divert part of their wheat-producing land to land-conserving purposes.

FEED GRAINS

The feed grains section of the bill, provides improved means of dealing with feed grain surpluses. There are two alternative voluntary programs. The first continues basically the present program but lowers the support price and raises the direct payment. Thus participating farmers incomes would not be hurt, but since the price level would probably fall, there would be added incentive to participate and thus lower our surpluses.

The alternative feed grain program would offer a low support price and longer and more lucrative land diversion contracts. The farmer could retire 40 percent of his feed grain acreage base for 5 years and receive diversion payment of not less than 70 percent of the support price.

RICE

Over the past several years, rice has maintained a reasonably good relationship between supply and demand, primarily due to increased exports. There was no rice section in the House bill. The Senate provision provides a diversion program if the national rice allotment for 1966-69 is increased above the current allotment. The goal here is to maintain the income of rice growers if national allotments are reduced.

WOOL

The Senate bill extends the National Wool Act for 4 years. It sets a 1966 price for shorn wool of 65 cents a pound, compared with the 64 cents in the House bill. In addition, small producers who do not market more than 1,000 pounds will be supported at a level not more than 5 cents a pound higher.

DAIRY

And finally, Mr. President, the amendment of the distinguished senior Senator from Wisconsin on milk was added yesterday on the Senate floor. Under this plan if two-thirds of the farmers in a market order area vote to do so, they can modify the prevailing blend price system whereby dairy farmers producing under the same marketing order receive a relatively higher price for the part of the milk that actually goes into fluid consumption and a relatively lower price for the excess which goes into cheese and other milk products. Under the old plan, the farmer receives the single blend price, no matter how much he produces. This can hurt the dairy farmer because as production increases, the amount of fluid going into excess production increases, and the blend price drops lower and lower. Thus he cannot protect himself against overproduction by others.

Under the new plan the farmer will receive the established price for each part of his own production that goes either into production of fluid or the excess that goes into cheese, et cetera. This will enable the farmer to protect himself against overproduction by others, since he could count on the established fluid price. Second, overall production would decrease, since he would receive a lower excess price for his own increased production.

Mr. President, I urge enactment of this very important measure. I also renew my call for an overall study within the Agriculture Department to determine how our agricultural production can better be utilized by our whole society. With better utilization of the fruits of production, the problem of surplus would disappear.

Mr. MANSFIELD. Mr. President, I yield 10 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, the omnibus farm bill, H.R. 9811, is a culmination of many months of long and thoughtful consideration by the members and staff of the Senate Agriculture Committee.

This complex and difficult legislation has been studied with special diligence by this Senator and his staff because not only do its provisions affect many aspects of American agriculture, but also because farming and ranching now, and far in the future, will dominate Nebraska's economy. Farm legislation is vital to all of our citizens.

The bill is lengthy. It covers a wide variety of subjects. It includes intricate arrangements, provisions, and formulas. It contains both good features and bad. The task of weighing the good against the bad is not easy.

On balance, and after careful analysis, it is my judgment that this bill's shortcomings far outweigh its advantages. I cannot, in good conscience, support it.

THERE IS A NEED FOR A FARM PROGRAM

For a Senator to reach this decision, of course, does not mean that he is opposed to all farm bills. It does demonstrate that he believes that not all farm bills are good, and that some are unworthy of support.

Too often, we are told that the danger of Congress doing away with all farm programs and the catastrophe that would result. Attention is called to the study released during the presidential campaign of 1964 which concluded that the net farm income would drop \$6 billion—from the \$12.5 billion of 1964—if all programs were eliminated.

Those who raise such thoughts now, as then, were clearly erecting a "straw man" or a "bogey man" in an effort to mislead and to frighten and especially to mislead and frighten farm folks.

There is no movement, nor any expressed thinking in the Congress that this Senator knows anything about, which advocates or even proposes complete and sudden repeal of all farm programs. Such a course would be foolhardy and unthinkable; any fair and thoughtful person knows this.

Those who say a vote against the bill now before us is a vote against the farmer or a vote against all farm programs, are necessarily assuming that they alone have a monopoly of wisdom and knowledge on the subject; that they alone in the present bill know how to deal with it, and that anyone who disagrees with them is derelict. Such a claim to infallibility is scarcely worthy of passing consideration.

This Senator is for a farm program and for the farmer. But he wants a program that will help, not hurt; one that will improve the position of the farmer, and not just repeat the mistakes of the past, and continue to worsen his economic position.

POSITION OF FARMER STEADILY DECLINES

Statistics clearly demonstrate how the position of the farmer has steadily declined these past 5 years.

Farm income has not significantly improved. In fact, when compared with the gains made in nonfarm income, it has substantially decreased.

Farm indebtedness has soared to alarming levels. The farmer has been forced to borrow against the inflated value of his land in order to survive; or simply to postpone the time he must leave the land.

Farm families have engaged in steady exodus from the land because they simply cannot make ends meet. Over a half million families have left in the past 5 years. What a dreary monument to the failure of the administration program.

Yet in the bill before us the Congress is asked to continue those unsuccessful programs for 4 more years.

For any prospect of improvement a different approach is required. We must shift away from the goal of making the farmer and rancher completely dependent on the U.S. Treasury for his income.

Let us consider the consistent record of failure which has accompanied pursuit of that goal.

USDA EXPENDITURES—FARM INCOME

Net budget expenditures for U.S. Department of Agriculture for the fiscal year ending June 30, 1965, are estimated to be \$7.3 billion, the third highest on record. They amounted to \$7.7 billion in fiscal 1963 and \$7.9 billion in 1964. This compares with \$5.4 billion for the year ending June 30, 1960.

The complete tabulation is as follows:

Fiscal year:	Billions of dollars
1960-----	5.4
1961-----	5.9
1962-----	6.7
1963-----	7.7
1964-----	7.9
1965 (estimated)-----	7.3

Source: USDA.

However, there is a billion dollars in CCC losses for fiscal year 1961 that the administration has not asked Congress to reimburse and almost another billion dollars for fiscal 1964.

These last two amounts will have to be paid for sooner or later. The \$2 billion will have to be added to the totals when appropriated. In the meantime, we are paying interest on this deception.

It should be noted, however, that only about one-half of the farm budget goes for the direct benefit of the farmer. Included in Agriculture expenditures are billions for food for peace, public works, school lunches, food stamp plan, Veterans' Administration, strategic stockpile, and other similar projects which are primarily of benefit to others than the farmer. A detailed analysis of this fact appears in the hearings of the Senate Agriculture Appropriations Committee for the fiscal 1966 appropriations.

The parity ratio—at 75 percent—for the entire year of 1964, was the lowest yearly average since 1934.

Realized net farm income, at \$12.9 billion in 1964, was up from \$12.5 billion in 1963. This \$400 million increase in realized net farm income loses its glamour almost completely when we note the \$481 million increase in direct Government payments to farmers in 1964 as compared to 1963—an \$81 million short-change for the farmer.

Mr. President, I ask unanimous consent that the detailed table of farm income figures be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Farm income, United States, 1960-64

[In millions of dollars]

Year	Cash receipts from farm marketings	Government payments	Realized nonmoney income	Realized gross farm income	Farm production expense	Realized net farm income
1961	34,923	1,484	3,179	39,586	27,013	12,573
1962	36,187	1,763	3,146	41,069	28,526	12,543
1963	37,253	1,686	3,134	42,073	29,572	12,501
1964	36,899	2,169	3,122	42,190	29,249	12,941

Source: U.S. Department of Agriculture.

Mr. HRUSKA. Mr. President, in 1964 about \$2.1 billion of the \$12.9 billion in realized net farm income was in direct payments from Government to farmers. In 1965 close to \$2.5 billion will be in direct payments to farmers.

Thus, we have the unhappy and dangerous spectacle of about 20 percent of total realized net farm income being paid by direct payments to farmers from the Federal Treasury. Like the Nation, agriculture cannot exist half slave and half free. If the trend of providing a substantial share of farm income from the Treasury continues, we can expect increasing control and domination of the farmer amounting to economic slavery.

In spite of the continued heavy Federal payments to farmers and total U.S. Department of Agriculture expenditures because of the so-called emergency programs for feed grains, wheat, and cotton, the amount of commodities under price support programs and in Commodity Credit Corporation inventory continue to be extremely large.

The sorry, overall situation of our farmers is seen in the following facts: From 1961 to 1964 over two and a half million farmers and their families have left the farm. The number of farms has

declined almost a half million. Another 100,000 farms are being lost this year. Farm employment has dropped by almost a million in the past 4 years. Farm debt has increased by \$12 billion to a total of \$38 billion—a 50 percent increase. Farm production costs have increased over \$3 billion while net farm income has remained on about the same average level of \$12.5 billion.

This dreary record was achieved under virtually the same provisions we are now being asked to ratify for another 4 years.

COMPENSATORY PAYMENTS

Expanded use of direct Federal Government payments to farmers to offset depressed market prices, caused by unwise Government programs, continues. In many cases Government programs and dumping of CCC stocks have resulted in worsening the problem.

By design now we have Government programs to hold the domestic market price down to the world price or below, so that direct payments to farmers from the Government can be used to force compliance with the programs. The new concept is to hold the domestic market price down rather than use Government influence to increase market prices to farmers.

Many people, in and out of Congress, have promoted unworkable market-wrecking farm programs that have failed. These same people, in order to cover up this failure, are now the strongest advocates of direct payment programs.

We now have various forms of compensatory payment programs for feed grains, wheat, cotton, sugar, and wool. This list has grown each year and is the prime reason for the sky-high USDA budgets of the past 4 years.

Congress realized in the late 1940's, when the Brannan plan direct payment approach was made, how futile and costly this type of program would be, if applied to all of agriculture. It wisely rejected the approach. Now this discredited scheme is creeping up on us step by step, encouraged by cheap food and fiber advocates who do not believe in the market system. The surest way for Government controllers to take over, is to force farmers to get their income from a check from the Federal Government.

The following table show how direct Government payments to farmers have grown from 1933 to 1964.

It shows such payments totaling \$693 million in 1960.

The annual average for the 10 years ending 1960 was about \$670 million.

In 1964 the total was \$2.16 billion.

For 1965 the estimated total is \$2.5 billion. If this farm bill is approved, it will push the total to over \$3 billion.

Mr. President, I ask unanimous consent that the table to which I refer be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

Government payments, by programs, 1933-64¹

[In millions of dollars]

Year	Conservation	Sugar Act	Wool	Soil bank	Feed grain	Wheat	Rental and benefit	Cotton ²	Price adjustment	Parity	Total ³
1933							131				131
1934							395	51			446
1935							558	15			573
1936	24						213	41			278
1937	324						11				386
1938	309	22						114			446
1939	527	28						8	201		763
1940	496	27							10	190	723
1941	382	27								134	544
1942	450	25								175	650
1943	332	36								254	623
1944	378	27								1	406
1945	259	24									283
1946	285	31									316
1947	277	37									314
1948	218	39									257
1949	156	30									185
1950	246	37									283
1951	246	40									286
1952	242	33									275
1953	181	32									213
1954	217	40									257
1955	188	41									229
1956	220	37	54	243							554
1957	230	32	53	700							1,016
1958	214	44	14	815							1,089
1959	228	44	82	323							682
1960	217	50	51	370							693
1961	230	45	56	334	772	42					1,484
1962	224	54	54	304	841	253					1,736
1963	222	57	37	304	843	215					1,686
1964	227	67	25	199	1,163	438		39			2,169

¹ Details may not add to totals due to rounding.² Includes cotton price adjustment and cotton option and producer's pool payments.³ Includes Great Plains conservation payments since 1958, 1 in 1958, 5 in 1959, 6 in 1960, 1961, 1962, 8 in 1963, and 9 in 1964.⁴ Excludes wartime production subsidy payments on dairy products 1943-46 and

beef cattle, sheep, and lambs 1945-46 because these payments are reflected in the published index of prices received.

⁵ Includes milk indemnity payments (\$155,000).

Source: American Farm Bureau Federation.

COTTON

Mr. HRUSKA. Mr. President, last week an amendment to this bill was proposed and adopted calling for payments to cottongrowers to supplement the price support loans. The very substantial majority by which this amendment carried undoubtedly resulted from the fact that the only available alternative was much more expensive. The alternative, which was contained in the bill reported from the Senate Agriculture Committee, would have cost almost \$4 billion over the 4-year period. In contrast, the plan which was approved by the Senate is estimated to cost \$2.8 billion, a difference of \$1.1 billion. In addition to the reduced cost, the substitute version will result in a far lower cotton surplus carryover. At the end of 4 years the carryover under the amendment should be about 8.7 million bales as against 12.6 million bales under the plan which was rejected. To this Senator it was clear that the version which was adopted was the better of the two available choices for maintaining and improving the industry until such time as the Congress acts to remove the Government from the business of financing, storing, and merchandising cotton at prices established in Washington.

WHEAT

The current wheat certificate program is a stopgap, 2-year program, put into effect after a majority of the producers voting in the 1963 referendum had rejected a similar program. This bill would extend that program for another 4 years with some modification.

This Senator has consistently opposed the principle of multiple price plans because Government-rigged pricing is detrimental to producers of feed grains, livestock, and poultry. It is especially harmful to the feed grain program because in recent years we have seen substantial substitution of wheat for feed due to low prices. This, in turn, has depressed feed grain prices.

Here are a few facts that should be considered in evaluating this program:

First. The certificate plan allocates the premium market for milling wheat to cooperating producers without regard to quality or actual use.

Second. The certificate plan does not give producers a choice between supported prices and a free market.

Third. The certificate plan operates to bear most heavily on large-family and low-income groups, even though it is one way to increase the wheat farmers' income. The better way of achieving such income increase is to make payment out of the Treasury general fund, into which tax money is largely paid on the basis of relative ability to pay.

Fourth. The use of CCC stocks to depress prices—a key necessity of the certificate plan—imperils the market system.

Fifth. Contrary to what some would have us believe, wheat acreage is increasing under the certificate plan. Wheat production, according to the USDA September 1965 crop report is up 5 percent from last year and 14 percent above average.

THE FEED GRAINS PROGRAM

This year will be the fifth year of the so-called emergency feed grains program. We are asked to extend it another 4 years. On at least two occasions, this Senator voted for this program in the hope that it would be succeeded by a bill which would improve the situation. The hope was a vain one.

In the face of strong producer opposition to compulsory controls on feed grain production, Congress rejected the compulsory approach and extended the emergency program on three separate occasions.

The program now uses compensatory payments, a low loan rate, and dumping of CCC-owned inventories in order to bribe or force compliance.

It has been one of the most expensive programs we have had for any commodity since the beginning of Government farm programs in the early 1930's.

Feed grain program costs and acres diverted

Crop year	Acres diverted	Payments to farmers
1961.....	26,700,000	\$782,000,000
1962.....	32,700,000	843,000,000
1963.....	25,700,000	845,000,000
1964.....	34,300,000	1,171,000,000
1965 (estimated).....	36,700,000	1,600,000,000
Total.....	156,100,000	5,241,000,000

Source: U.S.D.A.

In spite of this expenditure of money, the September crop report of the USDA indicates an alltime high record feed grain production in 1965. In 1963 we also had an alltime high feed grain production up to that time.

Feed grain carryover has been reduced, but not as much as feed grain consumption has increased, since the very beginning of the feed grain program.

SOYBEANS

There is no need whatsoever for the incentives proposed by the administration and partially reflected in the Senate bill to encourage greater production of soybeans—a crop widely known as the wonder crop.

The soybean crop is the third largest cash crop a farmer grows. It is the largest cash export. The United States produces about 90 percent of the soybeans that find their way into the world export arena. Truly an amazing story when one considers that it was a novelty crop less than 30 years ago.

But the biggest story of all is that soybeans is the only major field crop that is free of Government incentives, controls, and doles.

The price of beans is good. Our carryover from year to year is minimal. All this occurs in a true supply and demand market.

Now comes the administration, seeking artificially to increase production by allowing the planting of soybeans on acreage diverted from wheat and feed grains. But soybean production this year is up a whopping 24 percent over last year's record production, and 38 percent above average, and without Government incentives.

Why can we not leave this crop alone?

There is no necessity, no justification for this interference.

CCC BORROWING AUTHORITY

The Commodity Credit Corporation operations are financed largely by borrowings, mostly from the U.S. Treasury, under statutory borrowing authorization of \$14.5 billion. This amount is the limit on borrowings that may be outstanding at any one time. CCC reserves a sufficient amount of this borrowing authority to purchase at any time all loans and other obligations held by financial institutions under the Corporation's programs. As of May 31, 1965—the latest figures available—CCC had in use \$13,488,893,000 of this authority. Actual borrowings from the Treasury amounted to \$12,995 million and obligations to financial institutions financing commodity loans amounted to \$493,893,000 includes interest of \$9,946,000. This left a statutory borrowing authority available of only \$1,011,107,000 at the end of May.

Last January, we had witnessed the spectacle of the CCC's operations being temporarily suspended because it had run out of borrowing authority. A supplemental appropriation of over \$1½ billion was needed and enacted to bail the CCC out of its difficulties.

The Senate Agriculture Appropriations Subcommittee, under the able leadership of the distinguished senior Senator from Florida [Mr. HOLLAND], added almost a billion to the House-passed version of the fiscal year 1966 budget for the Department of Agriculture to make a start in returning the CCC's activities to a sounder basis. I am hopeful that this action will be upheld by the conferees on the money bill who are still meeting.

SALE OF WHEAT TO RUSSIA

Current reports indicate that the Johnson administration is about to give the go-ahead for sales of wheat to the Soviet Union.

With or without the cargo preference requirement, about which there was much debate, this Senator is opposed to such sales. It only gives aid and comfort to our enemies. That they are our enemies is well known to all. The annual Defense budget expenditures of almost \$1 billion a week are a continuous reminder that they are in fact our enemies.

The fact is that the Soviets have failed woefully in their collective approach to farming. It is now being abandoned in favor of a return to a limited form of private ownership in farming.

It is not because of lack of technical know-how that the Soviets have failed. Numerous Soviet agricultural missions have come to this country to pick our brains. Even Chairman Khrushchev himself visited our farms.

Secretary Freeman has gone to Russian farms.

Russian farming to date is the classic failure of communism versus capitalism.

But there is no compulsion that Soviet agriculture succeed. They are apparently confident that if their crops fail, Western nations, including the United States, will jump at the chance to bail them out. The substantial purchases

abroad this year are ample evidence of that.

What this means is that the Soviets have been able to direct their resources and talents in other efforts such as aid to Cuba—which is currently running at a rate of a million dollars a day—continued subjugation of the captive nations; sending missiles and technicians to Vietnam to shoot down American planes and pilots; and continued space exploration and development for military purposes.

While certain nations are exporting wheat to Russia, she is continuing to export Communist totalitarianism throughout the world.

The wheat that we and other nations are selling the U.S.S.R. helps it to continue its nefarious schemes. It will get around to agriculture when it feels like it.

Without wheat from the free world, the Soviets would be faced with a serious crisis on the homefront. To eliminate that disadvantage by wheat sales is not in the national interest for the United States.

Mr. President, food for peace, yes; food for war and to our enemies in that war, no.

SUPPLEMENTAL FARM LABOR

One of the provisions of the bill that had my support is section 706. In it the Secretary of Agriculture would have been given authority and responsibility for determining what supplementary labor is needed for the production and harvesting of farm crops.

As often as Mr. Freeman and this Senator have had our differences of opinion on agricultural issues, the Secretary of Agriculture gets my complete endorsement as being the Cabinet member most able to decide the important question of what supplemental labor is needed to plant, care for, and harvest certain crops.

Virtually all of the crops where the assistance of Mexican and other nationals are needed to help are perishable commodities which are not in surplus or underwritten by Government farm programs. These include strawberries, tomatoes, peaches, citrus fruit, sugarcane, and the like.

Many States were hard hit this year by the administration's arbitrary and unreasonable policy of drastically reducing the number of Mexican nationals and others to be allowed to enter the country to help our farmers. The junior Senator from California [Mr. MURPHY], the senior Senator from Florida [Mr. HOLLAND], the junior Senator from Texas [Mr. TOWER], and several others have so effectively brought to the Senate the grim story of the hardships and financial losses the present policy has cost many of our farmers.

In any event, the transfer of authority from the Secretary of Labor to the Secretary of Agriculture would have been in the best interest of American agriculture.

I regret the Senate's decision to delete this section. Had only one more vote been cast on the side of the farmer, Vice President HUMPHREY's tie-breaking vote for the union-supported position would not have been necessary.

ALTERNATIVES

Mr. President, while this bill has some objectives which may be laudable, I cannot support it. It perpetuates programs which have failed. It makes the farmer increasingly dependent on the Federal Government. I believe the American farmer is entitled to something better than the administration has given him in the form of this bill.

Fortunately, there are alternatives. Other Senators as well as I have suggested them during debate on agricultural legislation for the past few years. We can set for ourselves goals which will go in precisely the opposite direction to which the present bill aims. The direction of the farm program toward ever-increasing dependence on direct checks from the Government to bolster farm income can lead only to making of agriculture a virtual public utility, with a Washington bureaucracy in effect issuing licenses and franchises.

The opposite direction is the one which holds greater promise. That is toward fewer, not more, Government controls.

Let us decide on a transition with order and equity.

We should begin by taking the farmer from the precipice where the present bill puts him with an order to jump or else, and lead him gradually to the safety and benefits of the free and open market.

We should develop a long-range program which each year will see the Government withdrawing more and more as farmers adjust to the changing situation.

This transition period would necessarily be a long one. It would take years. It would not be a cessation of all farm programs at once.

During the transition period, the farmer must be assisted financially and, even more important, he must be supported with sensible programs of research which find new uses for his products, new markets, and new approaches to reducing his cost of doing business.

The direction toward a solution to our difficulty has already been pointed out. Its ingredients include an effective land retirement program which profits from the mistakes of the past and avoids them in the future; elimination of the vicious competition between the farmer and the Government with its huge stores of Commodity Credit Corporation stocks; an orderly cutoff of wheat allotments and marketing quotas; a relationship between the support price for wheat and that for corn and other feeds that will be sensible and practical; limitation of agricultural conservation payments.

This approach is to be found in bills I have cosponsored in the past. In fact, a bill for this congressional session, namely, S. 891, is still pending in the Senate Agriculture Committee. Unfortunately, scant consideration has been given to this measure. Bills such as this provide a vehicle, however, upon which to embark in this quest for a new approach and a new philosophy in our Government farm programs. One in which there will be hope. One which will not constantly continue to drag agriculture down to ever lower depths.

It can be done.

I cannot believe that the genius which can place men in orbit around the earth for days on end, and that can aspire to landing men on the moon and bringing them back; and that can produce revolutionary farm technology as well as other wonders in industrial and commercial areas—I cannot believe that such genius cannot solve the problem of abundance. It can be done if only we have the will to set ourselves to the task.

Mr. President, these remarks are based on the assumption that the American farmer wishes to be free.

It is more than an assumption. It is a conviction.

Unhappily, this bill delays the day that he will be freed of Government interference and Government dictation under self-defeating programs which have failed in the past and will fail in the future.

The American farmer deserves something much better than this bill.

Mr. MANSFIELD. Mr. President, I yield 2 minutes to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I am supporting H.R. 9811—the farm bill—not because I feel this bill will bring the farmers the full parity of income to which they are entitled but because it appears this is the best farm bill we can enact at this time. I am disappointed in the fact that with rising farm costs and with the parity figure standing at 78 percent that the legislation before us does not contain provisions to bring the farmer full parity and assuring him of the right to equal status in our economic society.

It is encouraging to note that the Senate Agriculture Committee and the Senate as a whole has determined that the program will be effective for 4 years. This will give the farm operator an opportunity to plan his operations on a systematic basis so as to implement his sagging economic status.

It is encouraging that the Senate Agriculture Committee and the Senate have adopted provisions advanced by "Mr. Wheat," Senator MILTON YOUNG, of North Dakota, which would assure wheat farmers of a blend price of \$1.90 for their wheat in the next 4 years. This is 21 cents over the blend price of the past crop year and 9 cents above the blend price as approved in the House of Representatives. I sincerely hope that the Senate version will prevail in conference and that wheat farmers will be able to make their plans for the next crop years based on a minimum blend price of \$1.90 per bushel.

While there are only few minor changes in the feed grain portion of the bill I am disappointed that more discretionary authority is granted to the Secretary to lower the loan price still further and to make up the difference through increased production payments, if he so desires. This increased flexibility could well mean a reduced return to the farmers in the future.

The new provision in the extension of the Wool Act is most encouraging. It

should increase price support levels by at least 2 to 3 cents per pound.

Both bills contain land retirement programs which compensate the farmer for his idle crop acres. These contracts will be for from 5 to 10 years and they can be either made on a bid bases or on a negotiated price basis. Provisions are contained to protect the various communities from suffering economic losses by prohibiting the placing under soil bank contracts too many acres in any one area.

All in all the new programs mean some improvement over present programs. While it does not provide as high an income to our farm producers as it should it does help. I hope that the programs will be administered as effectively as possible to give to our farmers an improved financial return at least moving their income upward from the disastrous 78 percent of parity which currently prevails after even worse disparities running as low as 75 percent of parity the past few years. Our farmers are entitled to a fair price for a full crop. Unhappily, this bill does not even remotely approach that goal but it does at least provide a modest step in the right direction.

I am also encouraged and gratified by the fact that Chairman ELLENDER has agreed to hold special committee hearings on the desirability of increasing the present 105-percent floor under which CCC stocks of wheat cannot be sold. I am hopeful these hearings will produce changes increasing this floor to 110 or 115 percent of current price supports plus carrying charges.

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the Senator from Wyoming.

Mr. McGEE. Mr. President, we have spent many hours of late in discussion of the farm bill, but I would now like to turn, for a short while, to the other end of the transmission belt of life. We have all heard a good deal of late, too, about the rising cost of food; indeed, about the rising cost of living. And many people have been wondering, no doubt, why they spend so much on groceries.

Mr. President, Changing Times, the Kiplinger magazine, this month carries an elucidating article entitled "Why You Spend So Much on Groceries." It amounts to a good explanation of at least part of the factors that go into determining the price the American housewife pays for her family's sustenance at the supermarket checkout counter—including an explanation of the margin used by the retailer to determine what he makes on any given item. Many practices common to the trade are discussed briefly in this article—practices which currently are being examined in minute detail by the National Commission on Food Marketing, which has been charged by the Congress with probing the gap that exists between the prices paid to producers of our food and those charged the consumer.

Mr. President, I ask unanimous consent that the article from September's issue of Changing Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY YOU SPEND SO MUCH ON GROCERIES: UNLESS YOU'RE SAVVY INSIDE THE SUPERMARKET, YOU ALWAYS SPEND MORE THAN YOU MEAN TO

You've just done your weekly stint at the supermarket. As you unload, a question nags you: Where did all that money go?

It's not that you mind the grocer's getting his. You really don't feel the farmer has sandbagged you, either. In general, you appreciate that food is one of the biggest bargains around. What nettles you in this sense of personal ineffectiveness, this feeling that your spending is out of control. You always come out of the supermarket having spent more than you meant to. How come?

Well, look at that price tape again. How many items are nonfood items—cooking utensils, phonograph records, cosmetics, light bulbs, even encyclopedias and stretch pants?

Only a few years ago, you would have bought those things elsewhere, not at a food store.

Now they all go on one ticket. So maybe it isn't just your food buying that is out of line; several kinds of spending may share the blame.

To understand what comes over you in the supermarket, though, you've got to recognize that you may know less about shopping there than you think you do—and that the supermarket men may know things about your habits that you hardly suspect yourself.

DO YOU REALLY KNOW PRICES?

One food industry executive claims that the average housewife can "give lessons to a Yankee horse trader." As he sees it, her computer-like mind leads her straight past all promotional pizzazz to the best buys for her money.

The sad truth, however, seems to be that the average shopper knows the exact price of hardly anything.

A couple of years ago, a study by the Colonial food chain and Progressive Grocer magazine found that among 59 heavily advertised products, shoppers could consistently and accurately give the price of only one item—cokes by the carton. Even with such staples as Crest toothpaste, Heinz catsup and giant-size Tide soap, no more than 15 shoppers in 100 could hit the exact price and only 1 out of 4 could come within 5 percent.

"Our typical shopper," the report concluded, "can recognize a bargain in only about 20 percent of the items regularly promoted. She has only a vague idea of what the regular price of the promoted item is."

DO YOU KNOW THE GROCER'S WAYS?

That isn't all the grocer knows about you, either. His insight into your psyche also tells him that many of you are restless, never satisfied and lousy at arithmetic.

He knows you'll spend about 30 minutes in his store and that, if you are feeding four mouths, you'll spend about \$40. He also knows that for every minute you tarry over half an hour, you'll spend 50 cents more.

Accordingly, he does all he can to encourage you to come in—and to linger. He cools his store, pipes in soft music, paints the ceiling mauve, cashes your checks, installs kiddie corners and coffee bars.

Then he has many little ploys and gambits to tempt the hand that fills the basket, such as multiple pricing. If a can is stamped "two for" sales soar. Sales of a 46-ounce can of tomato juice at 33 cents each zoomed 70 percent when offered "3 for 99 cents." Sales of items normally sold in multiples plummeted when switched to singles.

The grocer can even make you spend just by the way he shows his wares, whether or not the item is a bargain.

One Saturday recently a mountain of canned fruit punch stood at the end of an aisle. A modest blue-lettered sign announced it was a "spotlight-of-the-week" item. But the price was the same as usually charged.

Meanwhile, farther back and harder to reach another stack of a similar fruit punch. Over this hung a very large red sign marking these as specials, which indeed they were. Yet the "special" lay almost untouched while the "spotlighted" item—offering no bargain at all—was moving briskly.

Apparently, if you have to stretch or bend to get at anything, you won't buy it. If you have to walk into it, you will buy. And you'll buy more from a full shelf or display rack than from one that's half empty.

Attention getters like bright little signs, shelf extenders and dangling baskets are magnets for your money, too. An extender display of hand lotion in one store's detergent section, for instance, boosted lotion sales 60 percent.

Who is most vulnerable to these blandishments? The shopper who enters the store with only a sketchy shopping list or none at all.

A Du Pont Co. survey showed that while about 30 percent of supermarket patrons carefully chart their course ahead of time, more than 50 percent shop with only fuzzy notions of what they will buy. And more and more buying decisions are being made after the customer gets in the store—58 percent in 1949, 73 percent in 1959.

IS CONVENIENCE EXPENSIVE?

Once when you shopped for potatoes, that was what you got—potatoes, by the sack. Today the store still carries "old-fashioned" potatoes, but you also can get them au gratin, scalloped, hash browned, flaked, dehydrated and in little frozen puffs.

Hundreds of other foods have, like the potato, become convenience foods. That is, they have undergone away from home some of the preparation traditionally done in the home. These partly prepared foods now account for about 15 percent of all foods sold in grocery stores.

As you might expect, convenience has its price. But it would be a mistake to assume that its price is always high. Indeed, when the Agriculture Department studied 158 convenience foods, it found 42 that would have cost more to buy and fix from scratch.

In this category, the biggest bargain was frozen concentrated orange juice. Others were frozen lima beans, canned orange juice, packaged and canned spaghetti, canned cherries, chicken chow mein and devil's food cake mix. At the other end of the scale ready-to-serve yeast rolls, brown-and-serve yeast rolls, frozen chicken and turkey dinners, frozen broccoli and precooked rice were the items most expensive in comparison to their do-it-yourself equivalents.

SHOP THE WEEKEND SPECIALS?

During 1 year an Agriculture Department survey found two neighboring Greensboro, N.C., supermarkets advertised 20 weekend specials on chuck roast at 33 cents to 49 cents a pound. Had you bought 5 pounds of chuck roast on each of these weekends, your bill would have come to \$39.30. Had you bought the same meat on Tuesday, it would have cost you \$62.30, or \$23 more.

After pricing 230 items in the two stores, the report concluded: "Tuesday prices averaged from about 7 percent to 10 percent higher than Friday (weekend) prices."

It was found that one store changed prices more often than the other, but the second store's price cuts were more substantial. Yet prices between the two averaged out almost exactly over a 3-month period. So you can't watch prices for a short time, conclude that "prices always are lower" at one store and shop there forever after. To benefit from special prices, you have to keep comparing.

WHAT ABOUT STAMPS? AND DISCOUNTS?

Debate still rages over whether trading stamps are good or bad and who pays for them. The grocer knows they cost him 2 to 2½ cents out of every sales dollar, but just who absorbs this cost is still in question.

Willard Mueller, a Federal Trade Commission economist, says "Quite obviously the increasing use of trading stamps has accounted for a substantial share of recent increases in operating expenses of large retailers. Trading stamps may prove an effective promotion technique for an individual store because they expand its demand, thereby cutting per-unit costs by an amount exceeding the cost of the stamps.

"But they lose most of their effectiveness once a majority of food retailers in an area adopts them. They then tend to increase costs by an amount nearly equal to the cost of the stamps. While people may disagree as to the net effect of trading stamps on retail margins, stamp costs clearly raise margins when all, or most, retailers in an area employ them."

The moral: If everybody in town is giving stamps, you probably can ignore the stamps in making your buying decisions and shop on the basis of normal price comparisons.

Many shoppers apparently would prefer lower prices to stamps anyway. When Colonial asked its customers if they would continue to shop there if stamps were eliminated and prices lowered, only 11 percent said they would take their business elsewhere; 6 percent were undecided.

A still newer wrinkle is the "discount supermarket." These are growing fast. There were six discounters in Detroit in 1961 and 79 2 years later. Many try to look austere. Appearances are no substitute for comparisons, though. A spot check of a large discount operation and a nearby "regular" chain retailer uncovered a number of items on which the "regular" store undersold the discounter.

DO YOU FIGURE PRICE PER UNIT?

You can't make your money go further unless you know what you get when you spend it. That principle is easier to preach than to practice, thanks to the oddities of modern packaging with its incomparable confusion of weights, measures, and sizes.

Esther Peterson, the President's Assistant for Consumer Affairs, put it this way to a convention of grocers: "I defy anyone to figure out the best buy among these choices in a relatively short period of time:

"Family size—6.75 ounces, 66 cents; extra large—5 ounces, 55 cents; large—3.25 ounces, 42 cents; medium—1.75 ounces, 25 cents."

All these, incidentally were products made by a single manufacturer. Your problem is multiplied by the number of competing brands standing cheek to cheek on the same shelf.

When you come to a package with a measure too intricate to fathom by normal arithmetic, there is something you can do. Buy another brand and be sure to tell the store manager why you switched.

FOUR KEYS TO CONTROL

It's an enticing world, inside that supermarket. It's exciting, even bewildering. But there's no reason to despair. You can enjoy your shopping and yet stay solvent by following four rules.

Pay attention to prices. Even prices for the lowliest staples go up and down. You'll never be able to recognize a good buy until you know what you usually pay.

Note cost per unit. When things are sold in multiples, figure out what you pay for one. Do the same for things sold by weight. Then you have a solid basis for comparing prices.

Make a list. Know what you need, go get it and fight back that impulse to pick up stuff you neither want nor need.

Compare. Simple rules. They don't oblige you to clench in your belt, vow poverty, or lower your living standard.

In fact, you can live as high as you please. Luxury in the supermarket is okay—if you want it, if you can afford it, and if you can learn the art of living well while keeping your spending under control.

WHERE YOUR MONEY GOES

Out of every dollar you spend at a chain supermarket, the store uses 78 cents on the average to buy the merchandise it sells you. The other 22 cents goes for the store's (and the chain's) operating expenses—everything from salaries to cash register repairs—and profit. After all the expenses are paid, including income taxes, the company will have a little over a penny of your dollar left. And when all the pennies have been added up, the stockholders will show a profit of about 10 percent on invested capital.

Those figures are national averages—actual amounts vary from chain to chain, place to place, store to store. They are the 1963-64 results of a continuing study of supermarket economics that has been carried on for years by Harvard and Cornell.

The key figure in grocery-store accounting is a percentage that is commonly called "margin." It's the share of sales revenue that goes for expenses, taxes, and profit, and it currently averages about 22 percent. You can learn some interesting behind-the-scenes facts by inspecting margin figures.

The trend is up

Average supermarket margins have inched up over the past 10 years. Higher payrolls plus two other cost items account for most of the rise. Proportionately more is spent on real estate, heat, light, refrigeration, etc.—a reflection of bigger and fancier stores. And more is spent on advertising, including "promotional giveaways" and trading stamps. Look at this comparison:

[In percent]

In the year—	Margins in large supermarkets averaged—	Expenses for advertising, stamps, and giveaways averaged—
1955.....	18.1	0.7
1963.....	22.5	2.6

Some items yield more than others

The store's margin is not the same on everything it sells. On some merchandise—gourmet foods, some nonfood items, for example—the margin tends to be relatively high; on others—coffee, flour, sugar—the margin is generally small. The Du Pont survey mentioned in the text checked item-by-item margins in 225 supermarkets across the country. Here are some samples. Note both the difference between items and the range among the various stores:

	Margin (percent)
Bread.....	16-25
Coffee.....	8-14
Candy.....	25-30
Meat—fresh.....	18-28
Baby food.....	12-16
Flour.....	9-13
Gourmet foods.....	25-50
Soups.....	10-15
Spices.....	29-32
Soap, soap flakes, detergents.....	10-30
Eggs.....	9-15
Milk—fresh.....	11-17
Tomatoes.....	28-38
Frozen juices.....	17-20
Drugs, toiletries.....	23-35

Where do the profits come from?

Margins on individual items are only one little piece of the store's profit picture. High-margin items may contribute relatively little

to the overall profits, and low-margin ones may contribute a great deal. It depends on such things as sales volume, shelf space used, the inventory kept in stock.

The study of the Colonial supermarket chain, referred to in the accompanying article, gives a good idea of how all the pieces fit together. The average Colonial market was operating on a 20-percent margin—of the \$44,000-plus that went into the cash registers in an average week, it had just under \$9,000 left for operating expenses and profit. Margins on individual items ranged all over the lot: as little as 3 percent on corn bread mix, as much as 57 percent on toothbrushes. But suppose you were a typical Colonial shopper. By the time you had spent \$100 in the store, here is what you would have bought, and here is what the store would have realized from your spending:

The items you bought	The amount you spent	The store's percentage margin	The store's dollar margin
Meat.....	\$24.09	17.4	\$4.20
Produce.....	6.80	28.4	1.93
Dairy products.....	9.34	16.6	1.55
Frozen foods.....	3.75	27.3	1.03
Bakery goods.....	4.63	18.1	.84
Dry groceries.....	45.78	19.2	8.81
Nonfood items.....	5.61	29.3	1.64
Total.....	\$100.00	-----	\$20.00

A LOGICAL APPROACH TO THE WOOL SECTION

Mr. McGEE. Mr. President, the section of the bill we are now considering which relates to our domestic wool industry is to me a most commendable section and one which will go a long way toward preserving and strengthening the economic independence of this vital part of our agricultural economy. This is not to say that I consider this section without shortcoming, and I would like briefly now to spell out its advantages vis-a-vis the House provisions of this same section and what I consider to be some shortcomings in our version of this proposal.

The Senate version of the wool section establishes the formula for incentive price supports based on the cost of production for determining the incentive price. This price would increase or decrease in direct relationship to production costs. However, the House version would establish a floor of 77 percent of parity for the incentive price level. This proposal fails to take into account that the parity price of wool is affected by prices of other farm commodities and will vary from month to month regardless of factors affecting sheep and wool production.

A second difference in the two versions of this section is that the Senate bill would put to rest any speculation that the incentive level could or should be increased simply to spend all of the funds authorized. In our version of this section, the 3-year period—1958-60—was selected as the base to calculate the level since wool production increased during that period. The House version provides for a minimum incentive level so it still could be contended that the Secretary should increase the incentive level beyond logic and reason.

The version of the section proposed by this body relieves the Secretary of Agriculture of the responsibility of es-

establishing each year the incentive price level and would thus relieve the wool industry from annual distress and uncertainty as to what the incentive level would be for the next year.

Mr. President, I should like to point out that the incentive price level for wool has remained at 62 cents during the 11 years that the National Wool Act has been in effect, even though production costs have risen 15 percent during that time. The version of this bill we have considered would permit an increase in the incentive level of 4½ percent for 1966 and a moderate increase of ½ to 1 cent per pound annually provided the cost-of-living index continues to rise.

The preceding is an explanation why I think our version of this bill is demonstrably superior to the version considered by the other body. However, in one instance, I believe that we have included a provision which has not been sought by any segment of the wool industry and which will create considerable confusion and promote inequities in this program. I refer to the provision which would "make price support available to producers marketing not in excess of 1,000 pounds of wool in any marketing year at a level not more than 5 cents per pound higher than the level made available to producers marketing in excess of 1,000 pounds in such marketing year."

Under this provision the distinct possibility arises that unscrupulous growers could defraud the Government through the splitting of sales and the selling of wool under the names of different members of the same family to obtain the higher price supports per pound.

This provision would also increase the costs of this program by more than \$2 million annually and would create a substantial increase in the costs of the administration of the program.

It should be pointed out that, under this provision, payments would vary from a few cents to some producers to a maximum of \$50 to others. The average would be approximately \$12.50 per year, a figure which I do not believe would spell the difference between economic success and failure for any farmer.

The proposal to make payments on a flat per pound rate would discourage the efficient production and marketing of wool by increasing payments to the small producer who markets wet and dirty wool and thus would receive more money because of the heavier shearing weight. And, finally, Mr. President, it seems to me incongruous that we are supporting a program which would pay higher payments to a man marketing 1,000 pounds of wool than to a man who markets several hundred pounds in excess of that amount.

The above reasons, Mr. President, explain why I believe that this bill has basic strengths which make it superior to that considered in the other body and point out a significant weakness in the proposal to provide additional incentive payments to the small producer.

Mr. AIKEN. I yield back the remainder of my time on the bill.

The PRESIDING OFFICER. All time having been yielded back, the question

is, Shall the bill pass? On this question the yeas and nays have been requested and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF (when his name was called). On this vote I have a pair with the Senator from Oklahoma [Mr. MONRONEY]. If he were present and voting he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. LONG of Louisiana. I announce that the Senator from New Jersey [Mr. WILLIAMS] is absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Oklahoma [Mr. MONRONEY] are necessarily absent.

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Utah would vote "nay."

Mr. KUCHEL. I announce that the Senator from Pennsylvania [Mr. SCOTT] is absent on official business.

The Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

If present and voting, the Senator from Pennsylvania [Mr. SCOTT] would vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting, the Senator from Utah would vote "nay," and the Senator from New Mexico would vote "yea."

The result was announced—yeas 72, nays 22, as follows:

[No. 259 Leg.]

YEAS—72

Aiken	Hartke	Mundt
Allott	Hayden	Murphy
Bartlett	Hill	Muskie
Bass	Inouye	Nelson
Bible	Jackson	Neuberger
Burdick	Jordan, N.C.	Pastore
Byrd, W. Va.	Kennedy, Mass.	Pearson
Carlson	Kennedy, N.Y.	Pell
Church	Kuchel	Prouty
Clark	Long, Mo.	Proxmire
Cooper	Long, La.	Randolph
Dirksen	Magnuson	Russell, S.C.
Dodd	Mansfield	Russell, Ga.
Dominick	McCarthy	Smathers
Douglas	McClellan	Sparkman
Eastland	McGee	Stennis
Ellender	McGovern	Symington
Ervin	McNamara	Talmadge
Fannin	Metcalf	Thurmond
Fulbright	Miller	Tower
Gore	Mondale	Tydings
Gruening	Montoya	Yarborough
Harris	Morse	Young, N. Dak.
Hart	Moss	Young, Ohio

NAYS—22

Bayh	Fong	Morton
Boggs	Hickenlooper	Robertson
Brewster	Holland	Saltonstall
Byrd, Va.	Hruska	Simpson
Cannon	Javits	Smith
Case	Jordan, Idaho	Williams, Del.
Cotton	Lausche	
Curtis	McIntyre	

NOT VOTING—6

Anderson	Monroney	Scott
Bennett	Ribicoff	Williams, N.J.

So the bill (H.R. 9811) was passed.

Mr. ELLENDER. Mr. President, I move that the Senate reconsider the vote by which the bill (H.R. 9811) was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make certain technical corrections in the engrossment of the Senate amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I move that the bill as passed be printed.

The motion was agreed to.

Mr. ELLENDER. Mr. President, I move that the Senate insist on its amendments and request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ELLENDER, Mr. HOLLAND, Mr. EASTLAND, Mr. TALLMADGE, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. COOPER conferees on the part of the Senate.

THE NATIONAL WOOL ACT

Mr. ALLOTT. Mr. President, the sheep industry of this country has been hard pressed for many years. It has suffered principally from cheap foreign competition in form of excessive meat imports and excessive wool and wool products imports. As I pointed out in this Chamber on March 5, 1964, during the debate on the Hruska amendment to the Agricultural Act of 1964 (H.R. 6196), lamb and mutton imports from Australia increased from 1957 to 1963 by 4,583 percent, or from 1.4 million pounds in 1957, to 67.5 million pounds in 1963. Virtually no domestic industry could survive such a situation, and the sheep industry is no exception. Unlike the cattle industry, the sheep industry is based on two crops: namely, wool and meat. Both markets must be in a reasonably healthy condition in order for the sheepman to come out on his expenses in these days of high costs. Imports of finished woolen products have also greatly increased over the years, while at the same time consumption of wool by domestic mills has greatly decreased. In 1957 our imports of finished woolen apparel exceeded our exports by 67 million pounds, whereas in 1963 our imports exceeded our exports by 112.4 million pounds. Virtually all of the domestic wool production finds its way into domestic mills, whereas wool imports, now entering this country primarily in the form of finished products, are merely distributed to the retail outlets. Consequently, the economic health of the domestic woolgrower has a direct bearing upon the economic health of the domestic woolen mill, and this in turn has an effect on the level of unemployment and upon the economy as a whole.

Statements have been made that the National Wool Act has failed to boost wool production in the United States. While it is true that shorn wool production in 1964 was 14 million pounds less than it was in the year of enactment of the National Wool Act, 1954, nevertheless, during the first 6 years of its operation there was a steady increase in the domestic production of shorn wool by about 29 million pounds: from 236 mil-

lion pounds in 1954, to 265 million pounds in 1960. By correlating this trend with the increase in lamb and mutton imports one can see that these imports were an important factor in offsetting the beneficial effects of the National Wool Act.

Another important factor is the administration of the program. The Secretary of Agriculture established the incentive price at 62 cents 11 years ago when the National Wool Act became law. Since that time the incentive price has not changed. Considering the inflation we have experienced during recent years, a price that may have been an incentive price 11 years ago will no longer have that effect. While the incentive price remained static at 62 cents per pound, farmers were experiencing an increase in their costs by about 12.6 percent. Another way of expressing it is that when the 62-cent incentive price was established it was approximately parity or a little above, however, that price is now only about 75 percent of parity. For whatever reason, the incentive price was not increased to keep pace with changing conditions. Since 1960, at least, it has not only not produced the desired results, but in fact, domestic production in 1964 dropped to a level which was 14 million pounds less than in 1954. The crop for 1965 promises to be even smaller. An incentive price that fails to keep pace with changing conditions becomes ineffective. It is not the National Wool Act that has failed, it is the administration of the Wool Act that has failed. While our sheep production continues to decline from the 1960 level and domestic wool production has also necessarily declined, foreign goods are taking an increasingly larger share of the U.S. market.

Another factor contributing to the decline of wool production has been the serious drought conditions that have affected several of our important sheep-producing States since the inception of that program. Texas, for example, which accounts for approximately one-fifth of the Nation's wool production, has had several serious drought periods since 1954. New Mexico in the last year has had a decline of sheep production due to drought conditions.

Other contributing factors to the decline of wool production have been reductions in grazing allotments on Federal lands, difficulties in securing efficient herders, and losses from predatory animals.

It can be seen, therefore, that while there are several factors contributing to our failure to reach the statutory production goal of 300 million pounds of shorn wool per year, the two chief obstacles to achieving that goal were the failure to keep the incentive price aligned to any degree with the increases in costs, and massive imports of foreign meat which depressed the lamb and mutton market. But 1961 the average farm price of lambs had dropped to a low of \$15.80 per hundred pounds. This hit the sheep producers in my State of Colorado particularly hard because income from lamb is a most important factor in Colorado sheep production. This is also true

of a number of our Western States. However, the February 1964 meat agreements between the United States and Australia and New Zealand did have some effect in stabilizing the situation by limiting increases in the level of imports from those countries.

It should also be pointed out that the National Wool Act was responsible for alleviating the liquidation trend caused by drought and marketing conditions. Furthermore, the Wool Act was a factor in increasing our sheep production during the 3 years 1958 through 1960. Many growers have stated to me that they would not be in the sheep industry today if it had not been for the National Wool Act.

Because the Secretary has failed to act or has declined to act for whatever reason, it has become obvious that if wool is to remain a domestically produced commodity of any significance, affirmative action must be taken by the Congress. The formula contained in this measure as reported by the committee would automatically adjust the incentive price to a level which would approximate 78 percent of parity. According to recent Department of Agriculture figures, prices for all farm products averaged at 78 percent of parity. So, establishing the wool support formula at approximately 78 percent of parity would be in keeping with the general economic level of agriculture, and would not amount to a windfall for the wool-grower. Increases in the incentive prices would be triggered by increases in production costs, and by the same token, decreases in production costs would trigger decreases in incentive prices.

Under the terms of the National Wool Act, up to 70 percent of the duty collections on wool imports may be utilized to make payments to the wool producer under the incentive price program. Total incentive payments have decreased to nearly a third of their 1960 level of \$59 million to an estimated \$21 million in 1964. Whereas, 70 percent of the duty collections have climbed from \$72 million in 1960, to \$85 million in 1964. In other words, the differential in 1960 of about \$13 million has increased to a differential in 1964 of about \$64 million. The cost of the modest increase under the committee bill would be more than offset by the increase in duties collected on wool imports. However, to the wool-grower this modest 3-cents-per-pound increase may make the difference between economic life and economic death.

The National Wool Act has been one of the better farm programs, and it was for that reason, that I was happy to join with over 40 of my colleagues as a cosponsor of the bill to extend this legislation. It is my belief that this measure will tend to stabilize the domestic wool industry, and, it is hoped, arrest its further decline.

DAIRY FOOD PURCHASES PROVISION STRENGTHENS
OMNIBUS FARM BILL

Mr. NELSON. Mr. President, the farm bill which was passed today includes a most important new provision, significant both in terms of increased dairy farm income and of greater expan-

sion of agricultural markets overseas. This badly needed shift in national food policy also has an important humanitarian purpose.

It authorizes purchases of dairy products at market prices to meet the needs of foreign and domestic food programs. This will permit orderly and reliable planning of these programs, resulting in more effective administration.

I am pleased that this is in the bill because it is similar to my proposal to permit the Government to make long-term commitments for overseas sale and donation of farm commodities that normally are in surplus.

Domestic and foreign school lunch, welfare and other programs have been extremely important outlets for large stocks of dairy products acquired under the mandatory dairy price-support program. Using cheese, dried milk, and other manufactured dairy products for these programs has prevented accumulation of stocks beyond available storage space.

Donation programs of this size require extensive long-range planning and negotiating and, as a result, program supplies must be committed well in advance. Wide fluctuations in supplies and temporary interruptions in the flow of supplies have led to major problems in establishing and operating these programs.

Fluctuating supplies of surplus nonfat dry milk, for example, have made it difficult to assure a reasonably uniform and continuous flow to donation outlets, both in this country and overseas. And a few months ago butter surplus stocks dipped so low that school lunch allocations were sharply cut and oleomargarine was substituted in domestic programs for welfare and charitable institutions.

There are two major reasons why this occurs. One is the wide seasonal variation in production—and therefore in volume—of surplus available for program uses. The second is the wide fluctuation in commercial sales. Sales of dairy products by the Commodity Credit Corporation to both the domestic and export commercial market have been extremely erratic as a result of changing market supply and demand conditions.

Authorizing the Government to purchase for the purpose of guaranteeing a steady supply also is good for the dairy producer because it tends to strengthen the domestic market. The uneasiness of unprogramed supplies tends to depress the market.

The ability to supply overseas programs on a predictable basis is essential. At the present time the United States is feeding about 40 million schoolchildren in about 80 countries. The main limitations are the shortage of high protein foods such as dairy products and the problem of supplying this program on an orderly basis.

In Latin America, as a result of an intensive Operation Ninos child-feeding food for peace program, the number of schoolchildren participating in school lunch programs has increased to more than 12 million. This means that a generation of bread eaters and milk drinkers is growing up in this area of our hemisphere, creating a major U.S. farm market opportunity for the years ahead.

Assurance of high protein commodities on a predictable basis will encourage governments or other agencies overseas to invest in port, storage, transportation, processing, and distribution facilities needed to utilize more U.S. imports and to integrate the use of more U.S. food into permanent school and welfare programs. These facilities are needed both for intergovernmental and commercial sales through private channels.

This new provision of the farm bill will remove the uncertainty of supply that nations and private relief agencies now face in trying to plan long-range projects involving high protein surplus commodities. It will make it easier to build permanent dollar-earning markets for agricultural commodities, especially dairy products, by guaranteeing supplies for present programs and encouraging new market development projects modeled after the Japanese school milk program.

This program, which has been built on an unofficial long-term commitment policy to assure an adequate and steady supply, has helped make Japan one of our best markets for U.S. farm exports. The supply feature, used first for donations and later for sales to Japan, was essential in developing the lunch program into a major dollar market.

The program began in 1947 with Japanese school distribution by U.S. military forces of fluid milk made with 5 million pounds of nonfat dry milk. At that time Japanese children normally did not drink milk. Since then the program has developed into a permanent cash market with Japan.

The 99 million pounds of nonfat dry milk sold to the Government of Japan on June 2 of this year for use in the school lunch program brought total sales since 1950 to nearly 868 million pounds. In 1964-65 more than half of Japan's school age children were supplied at school with high quality U.S. milk.

It is clear that Japan has become, by virtue of this program, an assured and growing dollar market for nonfat dry milk. It is clear too, that the demand for milk also is strong among those now grown beyond school age and that these milk-consuming adults constitute a major market for private commercial exports from this country.

This dairy products provision of the farm bill will make this major condition of the successful Japanese experience—a dependable supply over a period of several years—more generally available to other nations and to our many overseas relief agencies. It also will make our domestic school lunch and other welfare programs more orderly and effective.

Mr. McCARTHY subsequently said: Mr. President, I believe the farm bill approved by the Senate today is a very constructive measure.

It does not represent a radical departure from the programs of the past but continues what is valuable from the traditional programs and adds to them.

First. The programs will provide substantial assistance to farmers in their efforts to secure a fair return for their work and investment. In the absence of commodity programs, net farm in-

come would be cut in half and the entire farm family system put in jeopardy. Of course, the programs provided by the bill will not fully solve the farm income problem. Even if the programs can be carried out to the maximum support level permitted by the bill, the American farmers would not receive full parity of income. However, the programs approved today will provide a floor under the market price of several important farm commodities. From this it will be possible to move with a variety of other means to improve farm income.

Second. The bill is a comprehensive measure. It contains an extension of the feed-grain program which has enjoyed general acceptance and greatly reduced the feed grain problem. This program is important in itself as an assistance to feed grain producers. It is also important to livestock and poultry producers. If we had no feed grain program, there would be a sharp drop in feed prices and a resulting overproduction of livestock and lower prices.

The bill provides a continuation and improvement of the wheat program with a provisions to raise wheat income. The McGovern amendment further improves the program and provides a better procedure for exports. I believe that the proposal of Senator TALMADGE for the cotton program which was adopted on the floor, offers a better long-run prospect for improving the cotton situation and will be more effective both to maintain cotton income and to make cotton competitive for export and for use by domestic mills.

The measure also extends the wool program and improves it by fixing the support at a percentage level and by providing a higher support to producers whose annual marketings do not exceed 1,000 pounds. The costs of production for wool have increased year by year but the support level has been the same since 1955. Wool production has decreased in recent years. The provisions of the bill will help this situation.

The bill also includes a cropland adjustment program, which is a revision and improvement of the soil bank. Taken together with the diversion provisions of the commodity programs, it will be useful in bringing supplies somewhat into line with the demand for food and fiber.

Third. The Senate bill extends the major commodity programs for 4 years. The recent feed grain, wheat and cotton programs have been approved for only 2 years, and the effectiveness of the programs has been limited by doubt and insecurity about the future of the programs. The 4-year authorization will make it easier for farmers, processors and all related farm industries to plan with greater knowledge and confidence.

Fourth. The provisions of the bill provide more flexible programs and will give farmers a better opportunity to make adjustments suited to their individual farming operations.

I regret that the bill does not contain a provision for a comprehensive dairy program. The return to dairy farmers has been discouragingly low for several years. A large surplus continues to hang

over the market and tends to keep the price at the 75 percent of parity support level. In my opinion the Proxmire amendment is a minor adjustment and inadequate to meet the serious dairy problems. It is possible that over a period of years, depending upon how many Federal orders are amended to adopt the class I base plan, the incentive to expand milk production will be reduced. However, the provision is of little or no value in meeting the present serious economic difficulties of dairy farmers in areas where production is used largely for manufacturing purposes.

Since 1959 dairy farmers and their families have earned less for their labor than have farmers generally. The average hourly return to the dairy farmer is only one-half to two-thirds as large as the hourly earnings from farming generally—and that general average is only \$1.06 per hour in 1964. Dairying is a demanding occupation and it requires farmers to be most attentive to their work every day of the year. Dairy farmers, as have other farm producers, have been making adjustments in their operations and increasing productivity and the efficiency of their operations. Yet they are economically worse off than before.

The bill adopted by the House contained language not only for a class I base plan but also to clarify that Federal order markets can be established for milk used for processed dairy products. I urge that this section be accepted in conference. I hope that the conferees will consult with Department officials about the most effective language to authorize Federal orders for manufacturing milk and that they will give consideration to the provision in the bill which I introduced, S. 2242, relating to Federal orders for manufacturing milk.

However, even if both the class I base plan and authorization of orders for manufacturing milk are included in the conference report, the major problems of dairy farmers will still remain. It is my hope that with the adoption of 4-year programs for wheat, feed grains, cotton and wool, the Congress will have the opportunity to make a thorough study of the dairy situation and to develop a better dairy program.

Mr. MANSFIELD. Mr. President, few legislative measures are as vital to the economy and well-being of this country and at the same time as complex as the Food and Agriculture Act of 1965, which the Senate has just passed. A brief statement of the purposes of the agriculture bill is sufficient proof of both its importance and its complexity. The goals of the bill are to maintain farm income, to stabilize prices, and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, and to afford greater economic opportunity in rural areas.

Mr. President, that is a mouthful. But one thing has been made very clear by this body's treatment of the bill—that is, that it would require an equal mouthful to sing the praises of the Senate as a whole and of the able manager of this bill in particular for the meticulous and

complete treatment which this vital measure has received.

There is no floor manager of any bill who is more diligent, fair and well-prepared than the very capable senior Senator from Louisiana [Mr. ELLENDER]. In his own inimitable fashion, he has educated himself on all aspects of the complicated farm problem; he has investigated all suggestions and all possibilities; he has patiently put together a piece of legislation which has gone far toward satisfying many interested groups and coping with a multitude of problems. He is to be congratulated and thanked for his selfish dedication to the goal of solution of the very difficult problems faced by our farming community.

There is no doubt that the task of the distinguished senior Senator from Louisiana was lightened by the hard work and unselfish participation of the other members of the Senate Committee on Agriculture and Forestry. Each member of that committee, both Democrat and Republican, has performed ably and conscientiously in hammering out the provisions of this bill. Important amendments were persuasively presented by committee members, including especially the distinguished junior Senator from Georgia [Mr. TALMADGE], the distinguished junior Senator from Tennessee [Mr. BASS], the distinguished junior Senator from South Dakota [Mr. MCGOVERN], the distinguished senior Senator from Vermont [Mr. AIKEN], the distinguished senior Senator from North Dakota [Mr. YOUNG], and the distinguished junior Senator from Iowa [Mr. MILLER].

Equally important amendments were inserted in the bill in committee at the capable suggestion of many of its members. Of special import were the proposals of the senior Senator from Florida [Mr. HOLLAND], the junior Senator from Minnesota [Mr. MONDALE], the senior Senator from Vermont [Mr. AIKEN], and the senior Senator from North Dakota [Mr. YOUNG]. And undaunted efforts were consistently put forth, by way of participation in debate and discussion and just plain hard, deliberative work on the bill and amendments, by the senior Senator from Mississippi [Mr. EASTLAND], the junior Senator from North Carolina [Mr. JORDAN], the junior Senator from New Mexico [Mr. MONTOLY], the junior Senator from South Carolina [Mr. RUSSELL], the junior Senator from Kentucky [Mr. COOPER], and the junior Senator from Delaware [Mr. BOGGS].

But—and this is an indication of both the importance of the farm bill and the typically high level of the deliberation of the Senate—committee members were far from alone in their work on this bill. Amendments were also proposed and ably argued by Senators not on the committee. I refer especially to the senior Senator from Wisconsin [Mr. PROXMIRE], the senior Senator from Kansas [Mr. CARLSON], the senior Senator from Washington [Mr. MAGNUSON], the senior Senator from Maryland [Mr. BREWSTER], the senior Senator from Connecticut [Mr. DODD], the junior Senator from Vir-

ginia [Mr. ROBERTSON], the senior Senator from New York [Mr. JAVITS], the senior Senator from Delaware [Mr. WILLIAMS], the senior Senator from South Dakota [Mr. MUNDT], and others.

Debate and discussion by many other Members of this body was of a uniformly high character. I could literally go down the entire roll of Senators in congratulating and thanking individual Senators for hard and thoughtful work on this measure. I will not, however, detain this body longer except to say that I am especially proud to be a Member of this body in view of its unparalleled deliberation on the farm bill.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader about the program for the remainder of today, and also for tomorrow.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, it is the intention of the joint leadership to request shortly that the Chair declare a recess, subject to the call of the Chair, for the purpose of receiving two distinguished guests, their families, and others in their party. I refer specifically to the two astronauts.

Following the convening of the Senate again this afternoon, the leadership has indicated that it would like to take up the Vienna Convention on Diplomatic Relations and Optional Protocol, which is, to the best of my knowledge, noncontroversial, having been reported unanimously out of the Foreign Relations Committee. It has to do with etiquette and things of that sort. There will be a year-and-a-day vote on it.

Next will be the consideration of conference reports and others which have been acceded to.

Then, the highway improvement bill will be laid before the Senate, and will be the unfinished business tomorrow.

Mr. President, I ask unanimous consent that the distinguished junior Senator from Louisiana [Mr. LONG], be allowed to speak for 20 minutes at the conclusion of the morning hour tomorrow on the Louisiana disaster.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

VISIT TO THE SENATE BY ASTRONAUTS LT. COL. L. GORDON COOPER AND COMDR. CHARLES CONRAD, JR.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished minority leader and myself and for the entire Senate, I ask unanimous consent that the Senate stand in recess.

The VICE PRESIDENT. Will the Senator withhold until the Chair appoints a committee of escort?

Mr. MANSFIELD. Yes.

The VICE PRESIDENT. The Chair appoints the Senator from Montana [Mr. MANSFIELD], the Senator from Illinois [Mr. DIRKSEN], the Senator from Louisiana [Mr. LONG], and the Senator from California [Mr. KUCHEL], as a committee of escort for the astronauts and their party.

RECESS

Mr. MANSFIELD. Mr. President, I now renew my request.

The VICE PRESIDENT. Without objection, the Senate stands in recess subject to call of the Chair.

Thereupon, at 4 o'clock and 8 minutes p.m., the Senate took a recess, subject to call of the Chair.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the proceedings in connection with the reception be printed as a part of the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The astronauts, Lt. Col. Gordon Cooper and Comdr. Charles Conrad, Jr., escorted by the committee appointed by the Presiding Officer, and accompanied by Dr. Charles Berry and Dr. Robert C. Seamans, Jr., entered the Chamber and took the places assigned to them immediately in front of the Vice President. [Applause, Senators rising.]

The VICE PRESIDENT. Members of the Senate, distinguished astronauts, members of the NASA organization, wives and families, today, our Capital City has been singularly honored by the presence of Lt. Col. L. Gordon Cooper, Comdr. Charles Conrad, Jr., and Dr. Charles Berry, three gentlemen who have been honored today by the President of the United States, who presented to them the NASA Medal for Exceptional Service. [Applause.]

We are also greatly honored to have with us today Dr. Robert C. Seamans, Jr., Associate Director of the National Aeronautics and Space Administration.

Early today, the National Academy of Sciences was host for a presentation by these distinguished astronauts to scientists and engineers, as they described their 8-day orbital flight.

Later this afternoon, the House of Representatives received them.

I am sure that the Senate wishes to hear from them; and I now take the liberty to present, first, the command pilot, one who has been in outer space in flight time longer than any person in the world, who has broken all records. He has been with us before, because his previous flight was for some 34 hours.

I now present to the Senate, with great honor and privilege, Lt. Col. Gordon Cooper, astronaut. [Applause, Senators arising.]

Colonel COOPER. Mr. Vice President, distinguished guests, and ladies and gentlemen, it is a rare privilege to be here again. I hope we can visit frequently. [Laughter.] It is a rare honor. We appreciate it very much.

Some 5 years ago, we were working very hard to see how many experiments we could put on board a manned space flight. That flight was to go a little

over 100 miles in altitude and it was to last the sum total of 15 minutes. We made it.

We conducted several experiments on board, and we proved several people wrong. We proved that man really could last for 15 minutes in space.

As time went on, we moved the flights up to a little longer time, and still a little longer in time, and we got up to the orbital time of six orbits.

Then I was fortunate enough to be able to make a flight of 22 orbits, about 28 months ago. At that time, I was privileged to appear here before many of you.

I was hopeful at that time that I would be given the privilege of making another space flight in which I would have enough time to do many of the things that I ran out of time to do in that 34 hours.

We finally made a flight in which we had enough time to do quite a number of things. The flight lasted a few minutes short of 8 full days, or 190 hours of flight time.

The prime mission of the flight was to show that the man-machine combination could exist in space, that it could do a good job, and return in good shape for a period equal to that of a manned-stay lunar mission.

We have proved that it can be done, that we have environmental control systems which will do the job, that man can remain in a healthy condition and be in a healthy condition when he returns to earth.

Second, we were proving a great many systems on board, including our radar, including onboard computers, including a stable table, by which we could navigate, all of which are vitally necessary for the lunar mission. We have proved that these systems will work, that they are accurate and reliable, and that they do the job they are supposed to do.

Third, we took along some 17 scientific experiments, some of which we did not quite complete. We completed the great majority of them by 100 percent. Several were 85 percent or more completed, and one we were unable to complete.

We had some minor problems onboard. These were primarily concerned with the new and to a certain extent unknown cryogenics, oxygen and hydrogen systems which powered our fuel cells; also several complete new items which had never been flown before in this type of configuration. The fuel cells worked very well, the cryogenics power did not work very well at first, but did work later after we determined that it would operate at a lower pressure than that designed. We managed by "catch as catch can," in some cases, while in drift in flight, to conduct most of the experiments.

We learned a great deal.

I felt many of the same things on this flight that I felt on previous flights.

It was a great deal of pleasure to me, for instance, to observe the feelings of my fellow pilot, Pete Conrad, on many things of great beauty and significance encountered in space, and to observe his reaction as he noticed them for the first time.

We found a great many new things we had not found in space before. We had plenty of time to do it, and a great deal more opportunity to do a great deal of data gathering than we had an opportunity to do before.

I thank you very much for this privilege of appearing before you. I hope I shall have the privilege before very long again, when we have some later space flights. [Applause, Senators rising.]

The VICE PRESIDENT. The partner in Gemini 5, a gentleman who brought honor to himself, his family, and his country, just as did the command pilot, Colonel Cooper, is with us today. He is affectionately known as "Pete." So I introduce to you Comdr. "Pete" Conrad. [Applause, Senators rising.]

Commander CONRAD. Mr. Vice President and Senators, it is a great pleasure to be here today. I mentioned at the press conference, after the flight was over, that the most significant scientific fact that I had noted was that after the flight was over, addressing a group such as this, my heart was at least 50 beats higher than it was at the time of the flight. However, I have my doctor here in case I get into trouble.

"Gordo" has mentioned some of the things about the flight. In particular, it was my joy to see some of the interesting phenomena that we observed. I might mention a few of them to you. Probably for the first time, we observed meteorites entering. I do not remember any other flight reports that mentioned these. The meteorites entered below us. I had to stop to think about that for a minute. When it was said that we might see them, I realized we were going to fly high. I had completely forgotten that we were flying above the atmosphere and that would be the place where we saw the meteorites entering—below us. That was a beautiful sight.

In scientific terms, we observed the aurora south of Australia, and many other interesting phenomena.

We as test pilots are curious people, and I think we like answers to questions, as scientists do. I believe we have brought back some useful data. As I said in the House of Representatives, I have had 11 days of rest and debriefing and 11 days of good sleep, and I am ready to fly again. [Applause, Senators rising.]

The VICE PRESIDENT. While Dr. Berry was not in the space capsule, he operated a good deal of equipment in the space capsule that was attached to these two great astronauts. This noon, as I listened to Dr. Berry explain the medical findings of this flight, I noticed Colonel Cooper and Commander Conrad squirm and twitch as they thought about the little gadgets that were hooked onto them for the purpose of pleasing this doctor. But we are very proud of Dr. Berry. I want him to take a bow and say a few words to the U.S. Senate.

Dr. BERRY. [Applause, Senators rising.]

Dr. BERRY. I am very glad that I am not censored at the moment, myself, because I am sure my heart rate would be better than 200 right now. I had no

idea, Mr. Vice President, when we talked about coming in earlier to your office that it would be this way.

We are conducting a program such as this, of course, to make man a vital part of such a research effort and to show the facility that man has to gain scientific information, using vehicles such as we are able to build in this country.

"Pete" and Gordon have shown remarkable ability to utilize these vehicles to the fullest extent. Our job is to try to see that they always remain in good condition to perform that particular function.

I think I can report, so far as information has been obtained in this country to date and at the moment, that we are the only ones who have that sort of information for the duration of which we are speaking. We can confidently say that man has been able to perform very well up to 4 days in a weightless State earlier, and on this mission 8 days in a weightless State. He has then been able to readapt back to a 1-G environment. We have living proof of that.

The VICE PRESIDENT. Lest fear and trepidation come to the hearts of the male Members of the Senate, I want you to know that the three ladies in the front row are not as yet Senators, but I think Senator SMITH has been talking to them about that possibility.

May I, therefore, on behalf of the Senate, present to the Senate and to our fellow Americans three ladies with us today, Trudy Cooper, or Mrs. Cooper; Jane, or Mrs. Conrad; and Mrs. Berry. [Applause.]

May I present to my colleagues the members of the families who are in the diplomatic galleries—the Cooper family, the Conrad family, and the Berry family. I believe, Bob Seemans, there must be some of your family up there. I know that Commander Conrad's mother is there.

Is Mrs. Conrad there?

(Mrs. Conrad stood in the diplomatic gallery. [Applause, Senators rising.]

The VICE PRESIDENT. I know also that three of the Berry children are here. Will they stand?

(The three Berry children stood in the diplomatic gallery.) [Applause, Senators rising.]

The VICE PRESIDENT. I understood that the 2 daughters of Colonel and Mrs. Cooper are present. Will they stand?

(The two daughters of Colonel and Mrs. Cooper stood in the diplomatic gallery.) [Applause, Senators rising.]

The VICE PRESIDENT. I must inform the Senate that the four junior astronauts of the Conrad family whom we met earlier today are drifting about as though in orbit. They are not in orbit right now; they are drifting, and apparently they are not with us. They are at the zoo. [Laughter.] But we had them with us. To show you their intellectual attainment, they were at the National Academy of Science earlier today.

We are very honored to have you with us today, gentlemen. Your achievements, while they are great personal honors to you, and indeed, to our Na-

kilometers (nearly 7 miles) through Vietcong territory to find help for her child. Other casualties included amputees and a 12-year-old boy with hundreds of skin wounds, who was blinded by a Vietcong land mine.

COULD BE REHABILITATED

There was an outstanding team of Philippine surgeons in the provincial hospital, which, like many hospitals in Vietnam, had two patients in most of its beds. There are numerous Philippine and other free world groups working in health activities among the Vietnamese civilian population.

Particularly distressing to this writer was the problem of the paraplegic veterans. Most of them have been collected at one center, which is a 2-hour drive from Saigon through Vietcong territory. The authorities, having had no experience in the modern management of paraplegia and no personnel trained to meet the complicated problems of this condition, are helpless.

These men are excellent candidates for rehabilitation, but unless they receive outside help quickly they are doomed.

Vietnam is a political struggle with violent military overtones. It is a Vietnamese war, which must be won by the Vietnamese with our support. It is a war than can be lost in Saigon, but can only be won in the countryside. It is a war with hundreds of pressing needs in the fields of health, education, and welfare.

The solutions to these problems have political as well as humanitarian implications. The Vietnamese peasant wants security, food, social justice, and a better life for his children than he has had. He has a great yearning for education for his children. He will cast his lot with the political system under which he thinks his chances are best for the achievement of his aspirations.

Failure of the United States and the free world to provide sufficient help to the Republic of Vietnam to make these aspirations a reality could result in our winning the war but losing the peace.

RICHARD NIXON IS OFF BASE

Mr. CHURCH. Mr. President, by making inflammatory statements during his recent trip to the Far East, Richard Nixon has done a distinct disservice to our Government's goal of a peaceful settlement in southeast Asia. Some of the Nation's most responsible newspapers, including the New York Times on September 8, and the Lewiston Morning Tribune on August 29, have condemned Mr. Nixon's statements. As Bill Hall noted in the Lewiston Morning Tribune:

Former Vice President Richard Nixon, currently on a tour of the Far East, is taking astounding liberties in announcing what this Nation's policies should be and will be in the Vietnamese war. He is showing no regard for the fact he is a distinguished former high official in the U.S. Government, and that many in the Far East may take his words for more than the idle comments of another American tourist.

I ask unanimous consent to have these two excellent editorials printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York (N.Y.) Times, Sept 8, 1965]

NIXON OFF BASE

Richard M. Nixon's 16-day tour of Asia, described as a "private business trip," has been accompanied by public statements at every stop calling for "victory" in Vietnam and denouncing proposals for peace negotia-

tions. In a Saigon news conference, the former Vice President said the Republican Party would make a campaign issue out of Vietnam in 1966 and 1968 if President Johnson ended the war there by compromise.

The propriety of carrying an American political debate abroad, doubtful in any circumstances, is even more questionable when controversial statements concerning a war situation are emitted from a platform in the war zone itself. But the issue raised by Mr. Nixon's remarks—which oppose a settlement based on concessions by both sides—is far more important than the unfortunate location he chose for the purpose.

The idea that unconditional surrender can be imposed on North Vietnam is an illusion that most Americans long since have abandoned. President Johnson has recognized that military victory is impossible for either side. He has accompanied military pressure with proposals that offer North Vietnam a way out of the present impasse.

The effect of the President's proposals on the nonaligned countries—and on Moscow and Hanoi—seems to have Communist China worried. Peiping in recent weeks has felt it necessary to urge Hanoi to fight on. But the Chinese leaders are evidently unable to offer anymore solid encouragement than the will-o'-the-wisp hope that other "liberation wars" in Asia, Africa, and Latin America ultimately will help the Vietnamese Communists defeat the United States.

In these circumstances, Mr. Nixon's remarks can only be tragically harmful, encouraging an unrealistic intransigence just at the moment when a vital debate seems to be going on within the Communist world.

[From the Lewiston (Idaho) Morning Tribune, Aug. 29, 1965]

WE READ YOU—LOUD AND MISTAKEN

Secretary of State Dean Rusk proclaimed knowingly Friday that he is keeping his "antenna * * * very much alert" for peace signals from the Communists. If he had tuned to another frequency Saturday he would have heard not a peace overture, but a symphony in saber rattling. And it came not from Hanoi, Peiping, or Moscow war rooms. The transmitter was a former Vice President of the United States.

Former Vice President Richard Nixon, currently on a tour of the Far East, is taking astounding liberties in announcing what this Nation's policies should be and will be in the Vietnamese war. He is showing no regard for the fact he is a distinguished former high official in the U.S. Government, and that many in the Far East may take his words for more than the idle comments of another American tourist.

Stopping in Japan, Nixon told the residents of Tokyo that the Communists "have slapped us in the face with a wet fish" after each U.S. peace offer, and that Communists misinterpret a willingness to negotiate "as a sign of weakness." Constant talk of negotiation has actually prolonged the war, he said.

And at Taipei, Formosa, Nixon declared that the Communists know the Republic of China will attack the mainland if they intervene in Vietnam. He said not only that the Communists know that, but, in the event of such intervention, "there would certainly be justification for the Chinese Nationalists to counterattack the Chinese Communists."

In one busy day, a former Vice President of the United States has announced to the world that the search for peace in Vietnam is a sign of weakness, and he has given his blessing in advance to a Nationalist Chinese attack on mainland China.

The Communists may know that the Nationalists will attack the mainland if they intervene in Vietnam, but one wonders if the President of the United States knows it.

Perhaps that is a possibility being considered by the Johnson administration in the

event of Red Chinese intervention, but that is a decision to be made when the time comes by the Commander in Chief, the Secretary of Defense and the Joint Chiefs of Staff. It is not a course to be proclaimed as fact by an itinerant American politician.

It is one of the blessings of U.S. citizenship that any American can become an expert on foreign policy and tell the President and the world what we should do in Vietnam. But no one, and especially a man of such stature that he might be believed by many abroad, has the right to announce whether we will or will not invite the Formosan Chinese to apply counterpressure against the mainland.

Even when Nixon only discusses what the United States should do, rather than what it will do, his declaration is incompatible coming from a man who once sought to become Commander in Chief himself. To suggest that attempts at peacemaking are wrong because they will be misinterpreted as signs of weakness is preposterous.

There would seem to be a faint possibility that they might be interpreted as signs of peaceful intent.

Right or wrong, the U.S. policy in South Vietnam should by now be crystal clear to the Red Chinese, the North Vietnamese, the Russians, our allies, the American people, and even former Vice Presidents. Johnson, Rusk and practically every member of the Cabinet has stated on countless occasions that the American and Vietnamese forces will maintain the pressure on the Vietcong and North Vietnam making it clear that there is no weakness of resolve of military force.

At the same time, it has been explained time and time again, we remain ready to talk peace whenever the Vietcong, the North Vietnamese, the United Nations or anyone else is ready to talk peace. Meanwhile, American forces engage the Vietcong, and American bombers pound the north. It's a strange way to demonstrate weakness.

It is easy to understand the President's frequent exasperation over his foreign policy critics. No matter what he does, he is wrong. If he prosecutes the war to vigorously, he is wrong for not seeking more avenues to peace. If he offers to negotiate, he is showing signs of weakness.

In the meantime, however, the President continues to put the weight of action behind the words of policy. The pressure on the Vietcong is being increased, and the attempts to find a peaceful solution are becoming ever more intensive. American troops continue to be sent to Vietnam in ever-increasing numbers, and Rusk reports he is under orders to seek out every possible road to peace. There are, in fact, dozens of attempts now underway through Moscow, through the United Nations and through a flock of other third parties.

And through it all, Rusk keeps his antennae alert. Hopefully, he soon will pick up more than the static transmitted from Tokyo and Taipei Saturday.

THE VOLUNTARY FEED GRAIN PROGRAM

Mr. MONDALE. Mr. President, it would be difficult to overstate the importance of continuing the national feed grain program through the next 4 years.

The feed grain program is a tremendous success. Over two-thirds of all the farmers in the United States have feed grain bases, growing one or more of the three grains primarily used for livestock and poultry feeding, corn, barley, and sorghum grains.

Corn and the other feed grains are used for human consumption, for the

feeding of dairy cows, for the feeding and fattening of beef cattle, hogs, chickens, and turkeys, for cash export, and for many industrial uses. Feed grains either accounted for or had a direct bearing on over \$3 of every \$5 received by all American farmers in 1964.

It should be continued because it has proved to be a success and because the trend of success can be continued.

Also, it should be continued because the alternative would be extremely bad for farmers and bad for the Nation.

First, let us look at the success story.

During the past 4 years, it has chalked up these achievements:

First. It has increased producer income. Producers have realized \$3 billion more for their crops than would have been possible under pre-1961 programs. In Minnesota alone, continuation of this program will mean an additional \$21 million in farm income next year, increasing feed grains returns to \$534 million.

Second. It has reduced the surplus. This fall the combined carryover of feed grains will be down more than 1 billion bushels from the 3.2 billion bushel peak in 1960.

The program has also saved money for the taxpayer in the long run. For example, in 1960, CCC stocks of feed grains, stored at the taxpayers' expense totaled some 85 million tons. The 1961-64 programs reduced that amount from 85 million tons to 56 million tons, at a substantial saving to the Government. USDA experts say that had this program not been law, stocks would otherwise have continued to increase to 125 million tons, costing the American taxpayer increased storage and handling and transportation costs.

Third. It has cut Government costs. Government outlays, though large under the program, ultimately would have been more than \$2 billion greater under the pre-1961 program.

The cost to the Government per harvested acre has been, for example, for feed grains only \$11 per acre, as compared to \$34 per acre for cotton, \$41 for wheat, and \$101 for rice. On a per farm basis, the results are even more revealing. Feed grains, per farm, cost the Government an average of \$436 per farm, while cotton went to \$626 per farm, wheat \$1,109, and rice slightly under \$12,400.

But in any way that costs can be analyzed, it is the most efficient, the most economical, and the most beneficial to the farmer of any of the other major commodity programs.

Fourth. It has promoted foreign sales. Feed grain exports have expanded rapidly in recent years and are a major dollar earner without need of Government export payments.

Fifth. It has brought stability into grain markets and the livestock industry. The pressure of climbing surpluses and lower prices under pre-1961 programs would have extended through the entire agricultural economy with particularly serious implications for the multi-billion dollar livestock and poultry industry.

The alternative to an effective feed grain program is disaster. Without a feed grain program, the acreage of feed grains would go up around 30 to 35 million acres the first year. Farmers would inevitably produce an extra 40 to 50 million tons of feed grains that we cannot use now. This extra feed grain would mean millions of extra hogs or billions of pounds of additional beef.

Mr. President, the majority of the Senate committee reviewed the facts that I have just mentioned concerning the success of this program, and I think it is fair to state the consensus was that this is the first truly successful feed grain program that we have ever had in the history of farm legislation and farm programs.

Time after time I have heard farmers from my own State of Minnesota, sometimes even those who were not participants in the feed grain program, say that this is the best program they have ever had made available to them. They appreciate most of all that it has helped bring about stability in livestock supplies and in livestock prices. For many producers, this is why we have a feed grain program—to promote stability with reasonable supplies in the livestock economy.

Minnesota's feed grain crop is crucial to the health of our agricultural sector, for although as a cash crop it accounts for only 13.6 percent of Minnesota marketing receipts, it is grown on 85 percent of our farms, and is fed on farms to cattle, hogs, calves, poultry, and dairy cows, which together account for almost 70 percent of Minnesota's marketing receipts.

And Minnesota's farmers participate in the Government programs. 71 percent of our farmers signed up, compared to the nationwide average of 36 percent, and the loss of that program would mean to those farmers an immediate drop in income in excess of \$45 million. It can readily be seen what such a loss would do to the State of Minnesota. And this would be true for many other States having a high participation rate in the voluntary feed grains program.

I am not talking about the large commercial farmer. Studies of Minnesota reveal that in our 42 principal feed grain counties, an average of 80 percent of the payments made by the Government went to cooperating producers with a base acreage of 200 acres or less. In some of those counties, this figure goes as high as 96 or 97 percent.

Basically, the feed grain program included in the omnibus farm bill now before the Senate is a continuation of the successful program we now have. Production needs to be compared with utilization to provide any meaningful measure of the program's success. Total stocks have been cut about 30 million tons during the first 4 years of the program. It is clear, therefore, that the program has been successful in reducing production substantially below the level of utilization. In contrast, during the 1950's, increases in utilization were more than offset by increases in production.

But the committee recognized that as

productivity goes up, the basic price relationships of these grains must be reviewed. We recognize that in the last 6 years corn yields have increased nearly 33 percent—from 54.5 bushels per acre in 1960 to an estimated 72.4 bushels per acre in 1965. About the same percentage increase occurred in the preceding 6 years. We are advised this increase in productivity—in yields—is likely to continue in the foreseeable future—certainly in the 4 years covered by this new bill—and we must, therefore, recognize that the price support rate must take into account the changes in technology and productivity that are occurring. We have done that, Mr. President, by providing the authority for the Secretary of Agriculture to modify the components of total support available to the cooperator. We have provided that total support must be in the range of 65 to 90 percent of parity. Under present conditions, this would be \$1.03 to \$1.42 per bushel for corn.

In the bill, as well as in the report, the committee has indicated that the Secretary of Agriculture should take into account these changes in determining the levels of the loan and, therefore, the level of the price support payment. I believe I am accurate in stating that a majority of the members of the committee do not mean in any way to force the Secretary of Agriculture to reduce the basic loan level in a manner which would be disruptive to the livestock economy. There were suggestions presented in the committee that this be done by statute so as to drop 1 nickel per year for each of the 4 years involved with the feed grain program. This was not accepted by the majority of the committee. Instead, we preferred to give the authority to the Secretary of Agriculture to take into account—and I quote from H.R. 9811 now pending before the Senate, on page 78, line 10: "taking into account increases in yields, but"—and now I emphasize, Mr. President: "but so as not to disrupt the feed grain and livestock economy."

Also, I believe I am correct in stating that a majority of the committee—being interested in maintaining farm income of cooperators—wanted to be sure that any reduction in the loan rate would not be accompanied by a reduction in total support paid to the participating feed grain farmer. We look for improvement, not diminishment, of feed grain farmer income.

In summary, the majority of the Senate Committee on Agriculture and Forestry are saying to the Secretary and administrators of this program: "We recognize that rapid changes are taking place, we recognize that there may need to be modifications in the mix of price support loan and price support payments in order to get the best results of the feed grain program in the years ahead, but in making your decisions we want it clear that you shall take into consideration the effects of any new loan levels on supplies, and therefore, returns to producers involved in feed grain and livestock production."

We do not intend that the Secretary of Agriculture should reduce, for exam-

ple, the loan level to 85 or 90 cents, since to do so may well be disastrous to the feed grain farmer and to the livestock farmer.

The committee also included authority to sharply change the feed grain program from the way it has operated in the last 4 years if changing conditions should indicate the need. Subtitle B provides for all of the incentives for participation to be directed toward land diversion payments, with no price support payments available to cooperators. As part of our consideration of this amendment we asked the Department of Agriculture to analyze this approach and to give us the benefits of their analysis. In brief, the Department technicians advised the committee that to obtain an equal amount of diversion, the approach provided in subtitle B would require diversion payment rates at between 70 and 90 percent of the loan, times the projected yield. This compares to the 20- and 50-percent payments which have been used in recent years.

Furthermore, the Department indicates that the approach embodied in subtitle B would not be used in the immediate future. They indicated no objection to having the authority included so that it might be used in some future years—such as 1968 or 1969—if circumstances were such that this approach would obtain the desired results at minimum cost while maintaining farm income and providing stability in the livestock economy. On the basis of that analysis and counsel from the Department, this provision was included in the feed grain title.

This is in line with our effort to provide the executive branch with a full kit of program tools to carry out the purposes of the Congress. We recognize that conditions change and that program methods must be adapted in order to assure continuing good results.

In conclusion, Mr. President, let me point out again that two-thirds of all the farms in the Nation produce feed grains and that most farms are users of feed grains in the production of meat, milk, and eggs. Hence, in dealing with the feed grain program, we are dealing with the livelihood of millions of farm families, the business interests of the meat, dairy, and poultry and egg industries, and a major share of the food supply of the Nation. This is a tremendous responsibility. In this bill, it is being handled responsibly.

RICKOVER'S ADDITIONAL 2 YEARS SERVICE GOOD NEWS FOR AMERICA

Mr. PROXMIRE. Mr. President, the decision by President Johnson to keep Adm. Hyman Rickover on duty for 2 years beyond his compulsory retirement next year is mighty welcome. The President's action represents a rare exception and it should. It makes sense for our military officials to be relatively young, alert, at the peak of their mental powers. At the same time, when the rare genius with the imagination of a Rickover comes along and when he is as highly expert as Admiral Rickover is in a field of immense importance—the nuclear powered

submarine in Rickover's case—we should use his rare talent as long and as well as we can.

I ask unanimous consent that an article in the New York Times reporting the President's decision with regard to Admiral Rickover be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHNSON EXTENDS RICKOVER'S ACTIVE DUTY 2 YEARS—CONGRESSIONAL SUPPORT HELPS TO BAR FORCED RETIREMENT—APPEAL BY SENATOR ANDERSON IS ACCEPTED BY PRESIDENT

(By Jon W. Finney)

WASHINGTON, September 10.—President Johnson has ordered a 2-year extension of active duty for Vice Adm. Hyman G. Rickover, thus once again preventing the controversial developer of the atomic submarine from being forced into retirement.

Without the Presidential intervention, Admiral Rickover, who will be 66 years old in January, would have been forced to retire from active duty early next year.

Once again the admiral's congressional supporters, who repeatedly in the last 8 years have saved him from forced retirement by the Navy, rallied to his defense.

Senator CLINTON P. ANDERSON, of New Mexico, a senior Democrat on the Joint Congressional Committee on Atomic Energy, was understood to have sent a letter to the President urging the retention of Admiral Rickover—a suggestion promptly accepted by Mr. Johnson.

CONTINUITY IS SOUGHT

The point being made by the Congressmen—and by Admiral Rickover in testimony repeatedly before congressional committees—is that in highly technological enterprises it is becoming increasingly important to have continuity of leadership.

In contrast with the rapid turnover in most other military development projects, Admiral Rickover has remained in essentially one job since he first started developing an atomic reactor for a submarine 18 years ago.

It is to this continuity that Admiral Rickover attributes the success and relatively low cost of his expanding program. Slightly more than \$1 billion has been spent in research and development in the nuclear reactor program—less than has been spent in the development of some major missiles.

Out of the Rickover program has come a still expanding nuclear fleet as well as the basic reactor technology for the present generation of atomic powerplants.

There are presently 30 Polaris and 22 atomic attack submarines in operation, as well as 3 atomic-powered surface ships. Under construction or authorized are 11 additional Polaris submarines, 35 attack submarines, and 2 more surface ships.

In the face of repeated pressure from the Navy to force him into retirement, Admiral Rickover has made no secret of his desire to remain on active duty "as long as I am able and both I and others feel I can do a useful job."

For successful development and safe operation of the nuclear fleet, he has emphasized that it was "mandatory" that there be a permanent organization. He has expressed fears that the Navy would dismember this group upon his retirement because "it does not fit into the neat pattern of Navy organization."

Aside from his length of duty, dating back to his commissioning as an ensign in 1922, Admiral Rickover is unusual in the Navy for his two-hat assignment in two organizations. He serves as director of naval reactors in the Atomic Energy Commission and director of nuclear propulsion in the Navy's Bureau of Ships.

Admiral Rickover faced retirement from his post nearly 2 years ago when he reached the Navy's compulsory retirement age of 66. But then, under a little used provision of naval regulations, the Navy agreed to recall Admiral Rickover to active duty for 2 years upon his retirement. This tour will now be extended until January 1968 under the new Presidential directive.

With the exception of Adm. Chester W. Nimitz, who remains on active duty by virtue of his five-star rank, Admiral Rickover now has the longest active duty service of any officer in the Navy. Although he suffered a serious heart attack 4 years ago, he still maintains his rigorous 6- and 7-day-a-week pace.

TRIBUTE TO THE HONORABLE ORVILLE FREEMAN, SECRETARY OF AGRICULTURE

Mr. BASS. Mr. President, it is most appropriate at this time to be able to recognize some of the achievements of a man who has "the most unpopular job in Washington." The Senate has focused its attention on the Food and Agriculture Act of 1965 for several days now. The man who is charged with the responsibility of carrying out the programs contained in this legislation, Secretary of Agriculture Orville Freeman, has done a remarkable job in contending with some of the most worrisome problems in the field of government. An editorial in the Nashville Tennessean, in discussing the remarkable accomplishments of the Secretary, recently stated that:

Mr. Freeman has demonstrated that he is a man who exercises power with judicious care. He is devoted to the task of raising rural income to a level comparable with that of other sectors of the American economy. He deserves all the help he can get.

I heartily concur in these thoughts and commend this editorial to the reading of all the Members of this body. Mr. President, I ask unanimous consent to have the editorial reprinted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AGRICULTURE SECRETARY DESERVES MUCH CREDIT

Dramatic changes, unless their impact is unfavorable, have a way of creeping up on Americans, virtually unnoticed.

Just past the middle of 1965, the long deplored stockpiles of surplus farm products have melted down to at least a respectable minimum. And it has happened in a manner that attracted almost no notice. Cotton storage is the only major exception.

Almost while nobody was looking a problem, long considered an impossibility to solve, has become manageable. Typical of what has happened is the reduced carryover of feed grains down from 85 million tons in 1961 to 55 million tons today. A bumper feed grain crop this year, 20 million tons up from 1964, can only increase slightly the margin of safety in existing reserves.

For a nation which assumes as a part of its responsibility the easing of hunger around the globe, the grain elevators may be down too low.

Secretary of Agriculture Orville Freeman, who has the most unpopular job in Washington, is the man responsible for this achievement.

He succeeded in office Mr. Ezra Taft Benson, who spent his 8 years denouncing the surpluses as sinful but doing nothing to

reduce them. Mr. Freeman was still a newcomer on his job when circumstances beyond his control cornered him behind the political eight ball of the Billie Sol Estes case.

While the Estes case haunted him, the Secretary entered quietly upon his tremendous task of whittling the stockpiles and restoring the American farmer to a position in the economic yardsticks approaching parity. Most of the time Mr. Freeman had to tread a maze of contradictory laws to achieve these goals.

The surplus problem has not disappeared, but it has been greatly reduced. As one reward Mr. Freeman deserves a sympathetic understanding and support for his farm legislation now pending before the U.S. Senate. The bill is not the final answer to the continuing farm problem, but it is the best thing available until a new assessment can be made of the long-range future of farming. It is hoped a congressional committee now making a full study of farm and food prices will be able to come up with some new ideas on how to solve today's farm problems.

Charges by opponents, that the proposed legislation now before the Senate gives to the Secretary of Agriculture the broadest discretionary powers in both production controls and incentive payments ever given a man in his office, are true. This is not necessarily an end.

Mr. Freeman has demonstrated that he is a man who exercises power with judicious care. He is devoted to the task of raising rural income to a level comparable with that of other sectors of the American economy. He deserves all the help he can get.

CANADA'S WHEAT BOOM

Mr. McGOVERN. Mr. President, Canada, and especially Canadian wheat farmers, are enjoying an era of prosperity.

The Canadian wheat crop this year is 27 percent above last year, and 60 percent above the 10-year average.

The crop is not giving the nation any surplus problems. On the contrary, Canada's problem is one of transport—getting the wheat transported from the prairie Provinces and loaded aboard ships for delivery abroad.

I am delighted to see Canadian wheat farmers prospering. I am disappointed only that U.S. wheat farmers, who have had to cut acreage time after time to avoid surpluses, are not sharing in the sales to Russia which have made the Canadian prosperity possible. They could have done so, and some of the 60-percent expansion in Canadian wheat production could have occurred in the United States, except for the self-defeating, ill-advised requirement which the United States imposes on cash wheat sales to the Soviet countries that 50 percent of our wheat must move in American ships. This results in costs which make our wheat producers unable to produce for this large market.

I ask unanimous consent, Mr. President, to put three brief articles on the situation in Canada in the RECORD. Two are from the Winnipeg Tribune, reporting the size of the wheat crop and the problem of transporting their wheat to ships—a problem that it would be novel if not pleasant to have in this country. The third is from our own Journal of Commerce and reports the impact of the Russian wheat sales on the Canadian

economy and her balance-of-trade problem.

I repeat, Mr. President, that I am delighted that the Canadians have done so well, but would be even happier if our Nation had shared a little in the trade which has proved such a bonanza for our northern neighbors.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Winnipeg (Canada) Tribune, Sept. 4, 1965]

PARKER SEEKS TEMPORARY HALT TO TRAIN

Movement of grain to terminal positions is behind schedule and Canada will not be able to fulfill her export commitments unless immediate action is taken, W. J. Parker, president of Manitoba Pool Elevators, said today.

Speaking for 30,000 Manitoba farmers who deliver grain to pool elevators throughout the province, Mr. Parker said rail movement of grain from country to terminal elevators must be speeded up if the farmer is going to be able to deliver the required amount of grain to satisfy export contracts.

"We have only 3 or 3½ months until the close of navigation of the Great Lakes, and we must move quickly."

Referring to a plan by the Canadian Pacific Railway to discontinue operating the Dominion, Mr. Parker said the Manitoba Pool Elevators favors temporary removal of the passenger train.

There is an apparent serious shortage of diesel units in the Canadian Pacific Railway, Mr. Parker said.

"We would support the Canadian Pacific Railway in a temporary suspension of the Dominion for a period of at least 3 months, thereby clearing 24 or 25 diesel units for freight, and I would urge the Federal Government to immediately release the railway from its obligation in this period."

HOLD HEARINGS

"In the meantime, the board of transport commissioners could hold hearings and bring forth their findings on the original application of the railway for the abandonment of the Dominion."

The interest of the nation in this regard is clear, Mr. Parker said. It is unthinkable Canada should miss an export grain target because of delay or failure to take the needed action.

"Our future trade relations with the Russians and the Chinese are at stake, and the buoyant effects on the economy of heavy grain exports are already known from past experience."

Mr. Parker pointed out that passenger traffic has other alternatives—automobile, bus and air travel. But there is no other way to get grain to terminal positions than by pulling a string of box cars with a diesel engine.

Therefore, he said, grain definitely must be given priority over passenger traffic, and the government should immediately give the Canadian Pacific Railway a temporary suspension in the operation of the Dominion.

[From the Winnipeg (Canada) Tribune, Sept. 4, 1965]

BUREAU PREDICTS RECORDS

OTTAWA.—The Bureau of Statistics Friday estimated 1965 wheat production at a record 759,804,000 bushels, beating the old high of 723,400,000 bushels in 1963. Many other crop records also were forecast.

The predicted wheat yield per acre of 26.9 bushels would also be a record by a paper-thin margin. The current record is 26.8 set in 1952.

Estimated prairie wheat yield of 743 million bushels is 29 percent ahead of last year's crop of 578 million and also well ahead of the 1963 record production of 703 million.

Rapeseed production forecast is for a record 28 million bushels, more than double the old high of 13.2 million set last year. Rapeseed yield of 19.5 bushels an acre would also be a record, surpassing the 1951 figure of 18.5.

Forecast flaxseed output of 29.1 million bushels would be the second largest crop on record. Last year's was 20.3 million.

Estimated yields per acre of oats, barley, and rye surpassed the old highs. Predicted production of every grain exceeded last year's output. Mixed grain production of 74.4 million bushels would be a record as would the yield per acre of 49.4.

HARVEST JUST STARTED

The crop estimates by the Federal agency were based on an August 15 survey when the prairie harvest had just started. The Bureau report warned that the estimates would hold good only if satisfactory weather conditions prevailed for the remainder of the growing and harvest season.

Bad weather and heavy rains in some areas last month halted harvest operations. The current need is for warm, dry harvest weather.

The total predicted wheat crop would be 27 percent larger than the 1964 bumper crop of 600.4 million bushels, and 60 percent above the 10-year average (1954-63) of 475.1 million.

The all-Canada wheat yield of 26.9 bushels an acre is well ahead of the 20.2 yield last year and the 19.5 yield of the 10-year average. Spring wheat formed the bulk of the crop with a predicted output of 746.6 million bushels yielding 26.7 bushels an acre.

Prairie wheat production of 743 million bushels is 64 percent ahead of the 10-year average yield of 453.3 million. Manitoba production is set at 86 million, compared to 85 million last year. Saskatchewan is 476 million compared to 348 million and Alberta is 181 million compared to 140 million last year.

[From the Journal of Commerce, Aug. 31, 1965]

CANADA ECONOMY GETS BOOST FROM WHEAT SALE

For the second time in 24 months, says the current Monthly Review of the Bank of Nova Scotia, a huge wheat sale to the Soviet Union has happily occurred when Canada's balance of international payments was moving in an unfavorable direction. The Russian purchase will serve to sustain growth in exports. It will also give an indirect boost to the tempo of domestic activity.

The volume of gross national product for 1965 as a whole, the Review suggests, should now appreciably exceed the 5 percent increase officially forecast at the beginning of the year. Coming on top of last year's 6½-percent growth this would be more than enough to keep the economy on the annual growth target projected for the period 1963-70 by the Economic Council of Canada.

STRONGEST INFLUENCE

The strongest influence in the current picture is provided by capital investment projects. The pace of capital expenditures has accelerated sharply over the past 4 years: following an upward revision in the mid-year forecast they are now expected to rise 19 percent in 1965. Consumer demands so far this year have also shown a strong underlying trend. While the rise in consumer expenditures has been broadly based, the biggest element of growth has been car sales which for the 1965 model year could show a rise of as much as 14 percent over the previous year.

On the external front, the Review says that the less favorable trend in exports which developed in late 1964 following completion of the large wheat sale to Russia continued into 1965, exports in the first half showing a year-over-year gain of only 2 percent as

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14 (legislative day, SEPTEMBER 13), 1965

Ordered to be printed with the amendment of the Senate

AN ACT

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Food and Agriculture
4 Act of 1965".

5 **TITLE I—DAIRY**

6 SEC. 101. The Agricultural Adjustment Act, as reen-
7 acted and amended by the Agricultural Marketing Agree-
8 ment Act of 1937, as amended, is further amended by strik-
9 ing in subparagraph (B) of subsection 8e(5) all of clause

1 ~~(d)~~ and inserting in lieu thereof a new clause ~~(d)~~ to read
2 as follows:

3 “(d) a further adjustment, equitably to apportion
4 the total value of the milk purchased by any handler, or
5 by all handlers, among producers and associations of
6 producers, on the basis of their marketings of milk, which
7 may be adjusted to reflect sales of such milk by any
8 handler or by all handlers in any use classification or
9 classifications, during a representative period of time
10 which need not be limited to one year. In the event a
11 producer holding a base allocated under this clause ~~(d)~~
12 shall reduce his marketings, such reduction shall not
13 adversely affect his history of production and marketing
14 for the determination of future bases. Allocations to
15 producers under this clause ~~(d)~~ may be transferable un-
16 der an order on such terms and conditions as may be pre-
17 scribed if the Secretary of Agriculture determines that
18 transferability will be in the best interest of the public,
19 existing producers, and prospective new producers. Any
20 increase in class one base resulting from enlarged or in-
21 creased consumption and any producer class one bases
22 forfeited or surrendered shall first be made available to
23 new producers and to the alleviation of hardship and
24 inequity among producers.”;

25 and by adding at the end of said subparagraph ~~(B)~~ the fol-

1 lowing: "Notwithstanding the provisions of section 8e(12)
2 and the last sentence of section 8e(19) of this Act, order
3 provisions under (d) above shall not become effective in
4 any marketing order unless separately approved by producers
5 in a referendum in which each individual producer shall have
6 one vote and may be terminated separately whenever the
7 Secretary makes a determination with respect to such pro-
8 visions as is provided for the termination of an order in
9 subparagraph 8e(16)-(B). Disapproval or termination of
10 such order provisions shall not be considered disapproval
11 of the order or of other terms of the order."

12 SEC. 102. Such Act is further amended (a) by adding to
13 subsection 8e(5) the following new paragraph: "(H) Mar-
14 keting orders applicable to milk and its products may be
15 limited in application to milk used for manufacturing."; and
16 (b) by amending subsection 8e(18) by adding after the
17 words "marketing area" wherever they occur the words "or,
18 in the case of orders applying only to manufacturing milk,
19 the production area".

20 SEC. 103. The provisions of this title shall not be effec-
21 tive after December 31, 1969.

22 SEC. 104. The legal status of producer handlers of milk
23 under the provisions of the Agricultural Adjustment Act,
24 as reenacted and amended by the Agricultural Marketing

1 Agreement Act of 1937, as amended, shall be the same sub-
2 sequent to the adoption of the amendments made by this
3 title as it was prior thereto.

4 TITLE II—WOOL

5 SEC. 201. In section 703 of the National Wool Act of
6 1954, as amended (68 Stat. 910, 72 Stat. 994, 75 Stat.
7 306), the second sentence is amended to read as follows:
8 “Such price support shall be limited to wool and mohair
9 marketed during the period beginning April 1, 1955, and
10 ending December 31, 1969.”

11 SEC. 202. In section 703 of the National Wool Act of
12 1954, as amended, the proviso at the end of the third sen-
13 tence is amended to read as follows: “*Provided*, That the
14 support price for shorn wool shall not exceed 110 per centum
15 of the parity price therefor nor shall be lower than 77 per
16 centum of the parity price therefor.”

17 SEC. 203. In section 703 of the National Wool Act of
18 1954, as amended, the fourth sentence is amended to read as
19 follows: “If the support price so determined does not exceed
20 90 per centum of the parity price for shorn wool, the support
21 price for shorn wool shall be at such level, not in excess of
22 90 per centum nor less than 77 per centum of the parity
23 price therefor, as the Secretary determines necessary in order
24 to encourage an annual production of approximately three
25 hundred and sixty million pounds of shorn wool.”

TITLE II—FEED GRAINS

SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e):

“(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the acreage

1 acreage devoted on the farm to corn and grain sorghums in
2 1959 and 1960, and does not devote any acreage devoted to
3 the production of oats and rye in 1959 and 1960 to the
4 production of wheat pursuant to the provisions of section
5 328 of the Food and Agricultural Act of 1962. In addition
6 to price support provided under subsections (a) and (b)
7 of this section, which shall be made available through loans
8 and purchases, for any feed grain included in the acreage
9 diversion program, a payment-in-kind may be made avail-
10 able to producers in such amount or amounts as the Secre-
11 tary determines desirable to assure that the benefits of the
12 price support and diversion programs inure primarily to
13 those producers who cooperate in reducing their acreages
14 of feed grains, and to take into account the extent of partici-
15 pation by the producer. Such payments-in-kind shall be
16 made on such part of the acreage of such feed grain planted
17 on the farm for harvest as the Secretary determines desirable
18 to effectuate the purposes of the program: *Provided, That*
19 for purposes of such payments, the Secretary may permit
20 producers of feed grains to have acreage devoted to soybeans
21 considered as devoted to the production of feed grains to
22 such extent and subject to such terms and conditions as the
23 Secretary determines will not impair the effective operation
24 of the price support program. An acreage on the farm
25 which the Secretary finds was not planted to feed grains be-

1 cause of drought, flood, or other natural disaster shall be
2 deemed to be an actual acreage of feed grains planted for
3 harvest for purposes of such payments. The Secretary may
4 make not to exceed 50 per centum of any payments here-
5 under to producers in advance of determination of perform-
6 ance. Payments in kind shall be made through the issuance
7 of negotiable certificates which the Commodity Credit Cor-
8 poration shall redeem for feed grains (such feed grains to
9 be valued by the Secretary at not less than the current sup-
10 port price made available through loans and purchases, plus
11 reasonable carrying charges) in accordance with regulations
12 prescribed by the Secretary and, notwithstanding any other
13 provision of law, the Commodity Credit Corporation shall,
14 in accordance with regulations prescribed by the Secretary,
15 assist the producer in the marketing of such certificates. The
16 Secretary shall provide for the sharing of such certificates
17 among producers on the farm on a fair and equitable basis.
18 If the operator of the farm elects to participate in the acreage
19 diversion program, price support for feed grains included in
20 the program shall be made available to the producers on
21 such farm only if such producers divert from the production
22 of such feed grains, in accordance with the provisions of
23 such program, an acreage on the farm equal to the number of
24 acres which such operator agrees to divert, and the agree-
25 ment shall so provide. Notwithstanding any other provision

1 of law, payments in kind under this subsection (e) and sub-
2 section (d) of this section may be adjusted by the Secretary
3 for failure of a producer to comply fully with the terms and
4 conditions of the programs formulated under such subsec-
5 tions and section 16 of the Soil Conservation and Domestic
6 Allotment Act, as amended."

7 SEC. 302. Section 16 of the Soil Conservation and
8 Domestic Allotment Act, as amended, is amended by adding
9 the following new subsection:

10 "(i) Notwithstanding any other provision of law—

11 "(1) For the 1966 through 1969 crops of feed
12 grains, if the Secretary determines that the total supply
13 of feed grains will, in the absence of an acreage diver-
14 sion program, likely be excessive, taking into account
15 the need for an adequate carryover to maintain reason-
16 able and stable supplies and prices of feed grains and
17 to meet any national emergency, he may formulate and
18 carry out an acreage diversion program for feed grains;
19 without regard to provisions which would be applicable
20 to the regular agricultural conservation program, under
21 which, subject to such terms and conditions as the Seere-
22 tary determines, conservation payments shall be made to
23 producers who divert acreage from the production
24 of feed grains to an approved conservation use and in-
25 crease their average acreage of cropland devoted in 1959

1 and 1960 to designated soil-conserving crops or practices
2 including summer fallow and idle land by an equal
3 amount. Payments shall be made at such rate or rates
4 as the Secretary determines will provide producers with
5 a fair and reasonable return for the acreage diverted, not
6 in excess of 50 per centum of the estimated basic county
7 support rate, including the lowest rate of payment in-
8 kind in effect. Notwithstanding the foregoing provisions,
9 the Secretary may permit all or any part of such diverted
10 acreage to be devoted to the production of guar, sesame,
11 safflower, sunflower, castor beans, mustard seed, and
12 flax, if he determines that such production of the com-
13 modity is needed to provide an adequate supply, is
14 not likely to increase the cost of the price support pro-
15 gram, and will not adversely affect farm income subject
16 to the condition that payment with respect to diverted
17 acreage devoted to any such crop shall be at a rate
18 determined by the Secretary to be fair and reasonable,
19 taking into consideration the use of such acreage for
20 the production of such crops, but in no event shall the
21 payment exceed one-half the rate which otherwise would
22 be applicable if such acreage were devoted to conserva-
23 tion uses. The term 'feed grains' means corn, grain
24 sorghums, and, if designated by the Secretary, barley

1 and if for any crop the producer so requests for pur-
2 poses of having acreage devoted to the production of
3 wheat considered as devoted to the production of feed
4 grains, pursuant to the provisions of section 328 of the
5 Food and Agriculture Act of 1962, the term 'feed
6 grains' shall include oats and rye: *Provided*, That
7 acres of corn, grain sorghums, and, if designated
8 by the Secretary, barley, shall not be planted in lieu of
9 acres of oats and rye: *Provided further*, That the
10 acreage devoted to the production of wheat shall not be
11 considered as an acreage of feed grains for purposes of
12 establishing the feed grain base acreage for the farm
13 for subsequent crops. Such feed grain diversion pro-
14 gram shall require the producer to take such measures
15 as the Secretary may deem appropriate to keep such di-
16 verted acreage free from erosion, insects, weeds, and
17 rodents. The acreage eligible for participation in the
18 program shall be such acreage (not to exceed 50 per
19 centum of the average acreage on the farm devoted to
20 feed grains in the crop years 1959 and 1960 or twenty-
21 five acres, whichever is greater) as the Secretary de-
22 termines necessary to achieve the acreage reduction
23 goal for the crop. Payments shall be made in kind.
24 The acreage of wheat produced on the farm during the
25 crop years 1959, 1960, and 1961, pursuant to the

1 exemption provided in section 335(f) of the Agricultural
2 tural Adjustment Act of 1938, as amended, prior to its
3 repeal by the Food and Agriculture Act of 1962, in
4 excess of the small farm base acreage for wheat estab-
5 lished under section 335 of the Agricultural Adjustment
6 Act of 1938, as amended, may be taken into considera-
7 tion in establishing the feed grain base acreage for the
8 farm. The Secretary may make such adjustments in
9 acreage as he determines necessary to correct for ab-
10 normal factors affecting production, and to give due
11 consideration to tillable acreage, crop rotation practices,
12 types of soil, soil and water conservation measures, and
13 topography. Notwithstanding any other provision of
14 this subsection (i)(1), the Secretary may, upon unan-
15 imous request of the State committee established pur-
16 suant to section 8(b) of the Soil Conservation and
17 Domestic Allotment Act, as amended, adjust the feed
18 grain bases for farms within any State or county to
19 the extent he determines such adjustment to be necessary
20 in order to establish fair and equitable feed grain bases
21 for farms within such State or county. The Secretary
22 may make not to exceed 50 per centum of any payments
23 to producers in advance of determination of performance.
24 Notwithstanding any other provision of this subsection,
25 barley shall not be included in the program for a pro-

1 ducer of malting barley exempted pursuant to section
2 105(c) of the Agricultural Act of 1949, who partici-
3 pates only with respect to corn and grain sorghums and
4 does not knowingly devote an acreage on the farm
5 to barley in excess of 110 per centum of the average
6 acreage devoted on the farm to barley in 1959 and 1960.

7 “(2) Notwithstanding any other provision of this
8 subsection, not to exceed 1 per centum of the estimated
9 total feed grain bases for all farms in a State for any year
10 may be reserved from the feed grain bases established for
11 farms in the State for apportionment to farms on which
12 there were no acreages devoted to feed grains in the crop
13 years 1959 and 1960 on the basis of the following fac-
14 tors: Suitability of the land for the production of feed
15 grains; the past experience of the farm operator in the
16 production of feed grains; the extent to which the farm
17 operator is dependent on income from farming for his
18 livelihood; the production of feed grains on other farms
19 owned, operated, or controlled by the farm operator, and
20 such other factors as the Secretary determines should be
21 considered for the purpose of establishing fair and equi-
22 table feed grain bases. An acreage equal to the feed
23 grain base so established for each farm shall be deemed to
24 have been devoted to feed grains on the farm in each of
25 the crop years 1959 and 1960 for purposes of this sub-

1 section except that producers on such farm shall not be
2 eligible for conservation payments for the first year for
3 which the feed grain base is established.

4 “(3) There are hereby authorized to be appropri-
5 ated such amounts as may be necessary to enable the
6 Secretary to carry out this section 16(i).

7 “(4) The Secretary shall provide by regulations for
8 the sharing of payments under this subsection among
9 producers on the farm on a fair and equitable basis and
10 in keeping with existing contracts.

11 “(5) Payments in kind shall be made through the
12 issuance of negotiable certificates which the Commodity
13 Credit Corporation shall redeem for feed grains in
14 accordance with regulations prescribed by the Secretary
15 and, notwithstanding any other provision of law, the
16 Commodity Credit Corporation shall, in accordance with
17 regulations prescribed by the Secretary, assist the pro-
18 ducer in the marketing of such certificates. Feed grains
19 with which Commodity Credit Corporation redeems cer-
20 tificates pursuant to this paragraph shall be valued at
21 not less than the current support price made available
22 through loans and purchases, plus reasonable carrying
23 charges.

24 “(6) Notwithstanding any other provision of law,

1 the Secretary may, by mutual agreement with the pro-
2 ducer, terminate or modify any agreement previously
3 entered into pursuant to this subsection if he determines
4 such action necessary because of an emergency created
5 by drought or other disaster, or in order to prevent or
6 alleviate a shortage in the supply of feed grains.”

7 SEC. 303. Section 326 of the Food and Agriculture Act
8 of 1962, as amended, is amended by deleting the language
9 beginning with “the requirements” and ending with “Agricultural Act of 1961, and” and substituting therefor “the
10 requirements of any program under which price support is
11 extended or payments are made to farmers, and price support
12 may be extended or”.

14 TITLE IV—COTTON

15 SEC. 401. The Agricultural Adjustment Act of 1938, as
16 amended, is amended as follows:

17 (1) Section 348 of the Act is amended by adding the
18 following new sentences at the end thereof: “The Secretary
19 may extend the period for performance of obligations in-
20 curred in connection with payments made for the period
21 ending July 31, 1966, or may make payments on raw cotton
22 in inventory on July 31, 1966, at the rate in effect on such
23 date. No payments shall be made hereunder with respect to
24 the 1966 crop cotton.”

1 ~~(2)~~ Section 346 of the Act is amended by adding at
2 the end thereof a new subsection as follows:

3 “(e) Notwithstanding any other provision of this Act,
4 for the 1966, 1967, 1968, and 1969 crops of upland cotton,
5 if the farm operator elects to forego price support for any
6 such crop of cotton by planting in excess of the farm acre-
7 age allotment established under section 344, all cotton of
8 such crop produced on the farm may be marketed free of any
9 penalty under this section: *Provided*, That this subsection
10 shall be applicable only to farms for which farm acreage
11 allotments were established for 1965 and the farm operator
12 for the current year was the operator of such farm for 1965
13 or has acquired such farm by inheritance from the operator
14 since such year. The operator of any farm who elects to
15 forego price support for any such year under this subsection
16 shall not be eligible for price support on cotton on any other
17 farm in which he has a controlling or substantial interest
18 as determined by the Secretary. Acreage planted to cotton
19 in excess of the farm acreage allotment established under
20 section 344 shall not be taken into account in establishing
21 future State, county, and farm acreage allotments.”

22 ~~(3)~~ Section 350 of the Act is amended, effective with
23 the 1966 crop, to read as follows:

24 “SEC. 350. In order to afford producers an opportunity

1 to participate in a program of reduced acreage and higher
 2 price support, as provided in section 103(d) of the Agri-
 3 cultural Act of 1949, as amended, the Secretary shall deter-
 4 mine a national domestic allotment for the 1966, 1967, 1968,
 5 and 1969 crops of upland cotton equal to the estimated do-
 6 mestic consumption of upland cotton (standard bales of
 7 four hundred and eighty pounds net weight) for the mar-
 8 keting year beginning in the year in which the crop is to
 9 be produced. The Secretary shall determine a farm domestic
 10 acreage allotment percentage for each such year by dividing
 11 (1) the national domestic allotment (in net weight pounds)
 12 by (2) the total for all States of the product of the State
 13 acreage allotment and the projected State yield: *Provided,*
 14 That no farm domestic acreage allotment shall be less than
 15 65 per centum of such farm acreage allotment. The farm
 16 domestic acreage allotment shall be established by multiply-
 17 ing the farm acreage allotment established under section 344
 18 by the farm domestic acreage allotment percentage. Such
 19 national domestic allotment shall be determined not later
 20 than October 15 of the calendar year preceding the year in
 21 which the crop is to be produced.”

22 SEC. 402. Section 103 of the Agricultural Act of 1949,
 23 as amended, is amended by adding the following new sub-
 24 section at the end thereof:

25 “(d)(1) Notwithstanding any other provision of this

1 Act, if producers have not disapproved marketing quotas;
2 price support shall be made available for the 1966, 1967,
3 1968, and 1969 crops of upland cotton as provided in this
4 subsection.

5 “~~(2)~~ Price support for each such crop of upland cotton
6 shall be made available to cooperators through loans at such
7 level, not exceeding 90 per centum of the estimated average
8 world market price for Middling one-inch upland cotton at
9 average location in the United States for the marketing year
10 for such crop, as the Secretary determines will provide
11 orderly marketing of cotton during the harvest season and
12 will retain an adequate share of the world market for cotton
13 produced in the United States taking into consideration the
14 factors specified in section 401(b) of this Act: *Provided,*
15 That the national average loan rate for the 1966 crop shall
16 reflect 24 cents per pound for Middling one-inch upland
17 cotton.

18 “~~(3)~~ The Secretary also shall provide price support
19 through payments in cash or in kind to cooperators who
20 participate in a cotton acreage reduction program as provided
21 in this subsection: *Provided,* That the total of the national
22 average loan rate for any crop under paragraph ~~(2)~~ and
23 the rate at which payments are made under this paragraph
24 shall not be less than 65 per centum or more than 90 per

1 centum of the parity price for cotton: *Provided further*, That
 2 for the 1966, 1967, 1968, and 1969 crops of cotton payments
 3 shall be made at a rate not less than 9 cents per pound.
 4 Such payments shall be made on the quantity of cotton
 5 determined by multiplying the acreage planted to cotton
 6 within the farm domestic acreage allotment by the pro-
 7 jected farm yield: *Provided*, That any such farm planting
 8 not less than 90 per centum of such allotment shall be deemed
 9 to have planted the entire amount of such allotment.

10 “(4) The Secretary shall provide price support pay-
 11 ments in addition to the payments authorized in paragraph
 12 (3) to cooperators who divert from the production of cotton
 13 to approved conservation practices to the extent prescribed
 14 by the Secretary: *Provided*, That such diversion shall not
 15 exceed 35 per centum of the farm acreage allotment estab-
 16 lished under section 344 of the Agricultural Adjustment Act
 17 of 1938, as amended.

18 “(5) The combined rates of the payments under para-
 19 graphs (3) and (4) for the 1966 crop shall be made on the
 20 farm domestic acreage allotment determined on the basis of
 21 the farm acreage allotment without regard to acreage reap-
 22 portioned to the farm under section 344(m)(2) of the
 23 Agricultural Adjustment Act of 1938, as amended, and
 24 shall be in amounts as follows:

25 “(A) For farms on which the acreage planted to

cotton does not exceed the farm domestic acreage allotment, an amount equal to 69.8 per centum of the basic level of support established under paragraph (2).

“(B) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by not more than 15.4 per centum, an amount equal to 62.1 per centum of the basic level of support established under paragraph (2).

“(C) For farms on which the acreage planted to cotton exceeds the farm domestic acreage allotment by more than 15.4 per centum but by not more than 30.8 per centum, an amount equal to 54.4 per centum of the basic level of support established under paragraph (2).

“(D) Notwithstanding the foregoing provisions of this paragraph, no payment shall be made with respect to the domestic allotment portion of any acreage reapportioned to the farm under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended, greater than 42.9 per centum of the basic level of support established under paragraph (2).

“The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance.

“(G) Where the farm operator elects to participate in the acreage reduction program authorized in this subsection

1 and no acreage is planted to cotton on the farm; price sup-
2 port payments shall be made at a rate equal to 50 per centum
3 of the national average loan rate established under paragraph
4 ~~(2)~~ on the quantity of cotton determined by multiplying 15
5 per centum of the farm acreage allotment by the projected
6 farm yield; and the remainder of such allotment may be re-
7 leased under the provisions of section 344(m) ~~(2)~~ of the
8 Agricultural Adjustment Act of 1938, as amended. The
9 acreage on which payment is made under this paragraph
10 shall be regarded as planted to cotton for purposes of estab-
11 lishing future State, county, and farm acreage allotments and
12 farm bases.

13 ~~“(7)~~ Additional price support provided under this sub-
14 section by payments-in-kind shall be made through the
15 issuance of certificates which the Commodity Credit Corpora-
16 tion shall redeem under regulations issued by the Secretary
17 for cotton valued at not less than the loan rate therefor.
18 The Corporation may, under regulations prescribed by the
19 Secretary, assist the producers in the marketing of such
20 certificates at such times and in such manner as the Secre-
21 tary determines will best effectuate the purposes of the
22 program authorized by this subsection.

23 ~~“(8)~~ Payments under this subsection with respect to
24 any farm shall be conditioned on the farm having an acreage
25 of approved conservation uses equal to the sum of ~~(i)~~ the

1 reduction in cotton acreage required to qualify for such
 2 payments under this subsection and ~~(ii)~~ the average acre-
 3 age of cropland on the farm devoted to designated soil con-
 4 serving crops or practices, including summer fallow and
 5 idle land, during a base period prescribed by the Secretary:
 6 *Provided*, That the Secretary may permit all or any part
 7 of such reduced acreage to be devoted to the production of
 8 guar, safflower, sunflower, castor beans, mustard seed, and
 9 flax, if he determines that such production is necessary to
 10 provide an adequate supply of such commodities, is not likely
 11 to increase the cost of the price support program, and will
 12 not adversely affect farm income.

13 “~~(9)~~ The acreage regarded as planted to cotton on any
 14 farm which qualifies for payment under this subsection except
 15 under paragraph ~~(6)~~ shall, for purposes of establishing future
 16 State, county, and farm acreage allotments and farm bases,
 17 be the farm acreage allotment established under section 344
 18 of the Agricultural Adjustment Act of 1938, as amended,
 19 excluding adjustments under subsection ~~(in)~~ ~~(2)~~ thereof.

20 “~~(10)~~ The Secretary shall provide adequate safeguards
 21 to protect the interests of tenants and sharecroppers, includ-
 22 ing provision for sharing on a fair and equitable basis in price
 23 support under this subsection.

24 “~~(11)~~ Notwithstanding any other provision of this
 25 section, the amount of price support payments made with

1 respect to any farm may be adjusted for failure to comply
2 fully with the terms and conditions of the program formu-
3 lated pursuant to this subsection.

4 “(12) Notwithstanding any other provision of this Act,
5 if, as a result of limitations hereafter enacted with respect
6 to price support under this subsection, the Secretary is unable
7 to make available to all cooperators the full amount of
8 combined price support to which they would otherwise be
9 entitled under paragraphs (2) and (3) of this subsection for
10 any crop of upland cotton, (A) price support to cooperators
11 shall be made available for such crop (if marketing quotas
12 have not been disapproved) through loans or purchases at
13 such level not less than 65 per centum nor more than 90 per
14 centum of the parity price therefor as the Secretary deter-
15 mines appropriate; (B) in order to keep upland cotton to
16 the maximum extent practicable in the normal channels of
17 trade, such price support may be carried out through the
18 simultaneous purchase of cotton at the support price there-
19 for and resale at a lower price or through loans under
20 which the cotton would be redeemable by payment of a
21 price therefor lower than the amount of the loan thereon;
22 and (C) such resale or redemption price shall be such
23 as the Secretary determines will provide orderly market-
24 ing of cotton during the harvest season and will retain an

1 adequate share of the world market for cotton produced in
2 the United States.

3 “(13) Section 408(b) of the Agricultural Act of 1949,
4 as amended, is amended by changing the period at the end
5 of the first sentence thereof to a colon and adding the fol-
6 lowing: ‘*Provided*, That for the 1966, 1967, 1968, and
7 1969 crops of upland cotton a cooperator shall be a producer
8 on whose farm the acreage planted to cotton does not exceed
9 an acreage equal to 85 per centum of such farm acreage
10 allotment determined without regard to any acreage reap-
11 portioned to the farm under paragraph 344(m)(2) of the
12 Agricultural Adjustment Act of 1938, as amended, plus an
13 acreage not to exceed the number of acres reapportioned to
14 the farm under such paragraph’.

15 “(14) The provisions of subsection 8(g) of the Soil
16 Conservation and Domestic Allotment Act, as amended,
17 (relating to assignment of payments) shall also apply to
18 payments under this subsection.”

19 SEC. 403. Section 301 of the Agricultural Adjustment
20 Act of 1938, as amended, is amended by adding the follow-
21 ing new subparagraphs to paragraph (13) of subsection (b):

22 “(L) ‘Projected National, State, and county yields’
23 for any crop of cotton shall be determined on the basis of the
24 yield per harvested acre of such crop in the United States,

1 the State and the county, respectively, during each of the
2 five calendar years immediately preceding the year in which
3 such projected yield for the United States, the State, and the
4 county, respectively, is determined, adjusted for abnormal
5 weather conditions affecting such yield, for trends in yields,
6 and for any significant changes in production practices.

7 “(M) ‘Projected farm yield’ for any crop of cotton shall
8 be determined on the basis of the yield per harvested acre
9 of such crop on the farm during each of the three calendar
10 years immediately preceding the year in which such pro-
11 jected farm yield is determined, adjusted for abnormal
12 weather conditions affecting such yield, for trends in yields,
13 and for any significant changes in production practices, but
14 in no event shall such projected farm yield be less than the
15 normal yield for such farm as provided in subparagraph (I)
16 of this paragraph.”

17 SEC. 404. Section 407 of the Agricultural Act of 1949,
18 as amended, is amended by adding at the end thereof the fol-
19 lowing: “Notwithstanding any other provision of this sec-
20 tion, for the period August 1, 1966, through July 31, 1970,
21 ~~(1)~~ the Commodity Credit Corporation shall sell upland
22 cotton for unrestricted use at the same prices as it sells cotton
23 for export, in no event, however, at less than 110 per centum
24 of the loan rate, and ~~(2)~~ the Commodity Credit Corporation
25 shall sell or make available for unrestricted use at current

1 market prices in each marketing year a quantity of upland
2 cotton equal to the amount by which the production of up-
3 land cotton is less than the estimated requirements for domes-
4 tic use and for export for such marketing year. The Secre-
5 tary may make such estimates and adjustments therein at
6 such times as he determines will best effectuate the pro-
7 visions of part (2) of the foregoing sentence and such quan-
8 tities of cotton as are required to be sold under such sen-
9 tence shall be offered for sale in an orderly manner and so
10 as not to affect market prices unduly."

11 SEC. 405. The Agricultural Adjustment Act of 1938, as
12 amended, is amended by adding after section 344 the follow-
13 ing new section:

14 "SEC. 344a. (a) Notwithstanding any other provision of
15 law, the Secretary, if he determines that it will not impair
16 the effective operation of the program involved, (1) may
17 permit the owner and operator of any farm for which a
18 cotton acreage allotment is established to sell or lease all or
19 any part or the right to all or any part of such allotment
20 (excluding that part of the allotment which the Secretary
21 determines was apportioned to the farm from the national
22 acreage reserve) to any other owner or operator of a farm
23 for transfer to such farm; (2) may permit the owner of a
24 farm to transfer all or any part of such allotment to any other
25 farm owned by him: *Provided*, That the authority granted

1 under this section may be exercised for the calendar years
2 1966, 1967, 1968, and 1969, but all transfers hereunder
3 shall be for such period of years as the parties thereto may
4 agree.

5 “(b) Transfers under this section shall be subject to the
6 following conditions: (i) no allotment shall be transferred to
7 a farm in another State or to a person for use in another
8 State; (ii) farm allotments may be sold or leased for transfer
9 to farms in another county within the same State, provided
10 that farmers within the county of origin will have priority in
11 leasing or buying such acreage allotments for an initial pe-
12 riod of 45 days after an intent to sell or lease has been filed
13 with the County Agricultural Stabilization and Conservation
14 Committee of the seller's intent to sell at a stated price;
15 (iii) no transfer of an allotment from a farm subject to a
16 mortgage or other lien shall be permitted unless the transfer
17 is agreed to by the lienholder; (iv) no sale of a farm allot-
18 ment shall be permitted if any sale of cotton allotment to
19 the same farm has been made within the three immediately
20 preceding crop years; (v) the total cotton allotment for
21 any farm to which allotment is transferred by sale or lease
22 shall not exceed the farm acreage allotment (excluding re-
23 apportioned acreage) established for such farm for 1965 by
24 more than one hundred acres; (vi) no cotton in excess
25 of the remaining acreage allotment on the farm shall be

1 planted on any farm from which the allotment (or part of
2 an allotment) is sold for a period of five years following
3 such sale, nor shall any cotton in excess of the remaining
4 acreage allotment on the farm be planted on any farm from
5 which the allotment (or part of an allotment) is leased
6 during the period of such lease, and the producer on such
7 farm shall so agree as a condition precedent to the Secre-
8 tary's approval of any such sale or lease; and (vii) no trans-
9 fer of allotment shall be effective until a record thereof is
10 filed with the county committee of the county to which such
11 transfer is made and such committee determines that the
12 transfer complies with the provisions of this section.

13 “(c) The transfer of an allotment shall have the effect of
14 transferring also the acreage history, farm base, and mar-
15 keting quota attributable to such allotment and if the transfer
16 is made prior to the determination of the allotment for any
17 year the transfer shall include the right of the owner or
18 operator to have an allotment determined for the farm for
19 such year: *Provided*, That in the case of a transfer by lease,
20 the amount of the allotment shall be considered for purposes
21 of determining allotments after the expiration of the lease
22 to have been planted on the farm from which such allot-
23 ment is transferred.

24 “(d) The land in the farm from which the entire cotton
25 allotment and acreage history have been transferred shall not

1 be eligible for a new farm cotton allotment during the five
2 years following the year in which such transfer is made.

3 “(c) The transfer of a portion of a farm allotment which
4 was established under minimum farm allotment provisions for
5 cotton or which operates to bring the farm within the mini-
6 mum farm allotment provision for cotton shall cause the
7 minimum farm allotment or base to be reduced to an amount
8 equal to the allotment remaining on the farm after such
9 transfer.

10 “(f) The Secretary shall prescribe regulations for the
11 administration of this section, which shall include provisions
12 for adjusting the size of the allotment transferred if the farm
13 to which the allotment is transferred has a substantially
14 higher yield per acre and such other terms and conditions as
15 he deems necessary.

16 “(g) If the sale or lease occurs during a period in which
17 the farm is covered by a conservation reserve contract, crop-
18 land conversion agreement, or other similar land utilization
19 agreement, the rates of payment provided for in the contract
20 or agreement of the farm from which the transfer is made
21 shall be subject to an appropriate adjustment, but no adjust-
22 ment shall be made in the contract or agreement of the farm
23 to which the allotment is transferred.

24 “(h) The Secretary shall by regulations authorize the
25 exchange between farms in the same county, or between

1 farms in adjoining counties within a State, of cotton acreage
2 allotment for rice acreage allotment. Any such exchange
3 shall be made on the basis of application filed with the
4 county committee by the owners and operators of the farms;
5 and the transfer allotment between the farms shall include
6 transfer of the related acreage history for the commodity.
7 The exchange shall be acre for acre or on such other basis
8 as the Secretary determines is fair and reasonable, taking
9 into consideration the comparative productivity of the soil
10 for the farms involved and other relevant factors. No farm
11 from the which the entire cotton or rice allotment has been
12 transferred shall be eligible for an allotment of cotton or rice
13 as a new farm within a period of five crop years after the
14 date of such exchange.

15 “(i) The provisions of this section relating to cotton shall
16 apply only to upland cotton.”

17 SEC. 406. The Secretary may, to the extent he deems
18 it desirable, provide by appropriate regulations for surrender
19 of cotton allotment and acreage history applicable to acre-
20 age diverted from the production of cotton under the crop-
21 land adjustment program. No cotton in excess of the re-
22 maining acreage allotment on the farm shall be planted for
23 the five succeeding crop years on any farm which all or part
24 of the allotment has been surrendered. Any cotton allot-
25 ment or acreage history surrendered pursuant to the fore-

1 going authority shall be held in reserve in establishing
 2 future national, State, county, and farm cotton acreage allot-
 3 ments and bases. The Secretary is authorized to increase by
 4 not more than 25 per centum the rate or rates of annual
 5 payments to be made to producers under such program who
 6 surrender cotton acreage and allotment history pursuant to
 7 the authority of this section. In carrying out the provisions
 8 of this section, the Secretary may use Commodity Credit
 9 Corporation stocks and funds for effectuating payment to
 10 producers.

11 TITLE V—WHEAT

12 SEC. 501. Effective beginning with the crop planted for
 13 harvest in the calendar year 1966, the Agricultural Adjust-
 14 ment Act of 1938, as amended, is amended as follows:

15 (1) Section 332 is amended by changing item (iv) in
 16 subsection (b) to read: "will be utilized during such market-
 17 ing year in the United States as livestock (including poul-
 18 try) feed, excluding the estimated quantity of wheat which
 19 will be utilized for such purpose as a result of the substitution
 20 of wheat for feed grains under section 328 of the Food and
 21 Agriculture Act of 1962" and by adding the following new
 22 subsection:

23 "(d) Notwithstanding any other provision of this Act,
 24 the Secretary shall not proclaim a national marketing quota
 25 for the crops of wheat planted for harvest in the calendar

1 years 1966 through 1969, and farm marketing quotas shall
2 not be in effect for such crops of wheat.”

3 ~~(2)~~ Section 333 is amended to read as follows: “The
4 Secretary shall proclaim a national acreage allotment for each
5 crop of wheat. The amount of the national acreage allot-
6 ment for any crop of wheat shall be the number of acres
7 which the Secretary determines on the basis of the projected
8 national yield and expected underplantings ~~(acreage other~~
9 ~~than that not harvested because of program incentives)~~ of
10 farm acreage allotments will produce an amount of wheat
11 equal to the national marketing quota for wheat for the
12 marketing year for such crop; or if a national marketing
13 quota was not proclaimed, the quota which would have
14 been determined if one had been proclaimed. The Secretary
15 may, in his discretion, adjust such national acreage allotment
16 as he determines necessary to assure the maintenance of
17 adequate but not excessive stocks in the United States.

18 ~~(3)~~ Subsection ~~(a)~~ of section 334 is amended to read
19 as follows:

20 “~~(a)~~ The national allotment for wheat, less a reserve of
21 not to exceed 1 per centum thereof for apportionment as
22 provided in this subsection and less the special acreage re-
23 serve provided for in this subsection, shall be apportioned by
24 the Secretary among the States on the basis of the preceding
25 year’s allotment for each such State, including for 1966 the

1 increased acreage in the State allotted for 1965 under section
2 335, adjusted to the extent deemed necessary by the Secre-
3 tary to establish a fair and equitable apportionment base for
4 each State, taking into consideration established crop rota-
5 tion practices, estimated decrease in farm allotments because
6 of loss of history, and other relevant factors. The reserve
7 acreage set aside herein for apportionment by the Secretary
8 shall be used to make allotments to counties in addition to
9 the county allotments made under subsection (b) of this
10 section, on the basis of the relative needs of counties for addi-
11 tional allotments because of reclamation and other new areas
12 coming into production of wheat. There also shall be made
13 available a special acreage reserve of not in excess of one
14 million acres as determined by the Secretary to be desirable
15 for the purposes hereof which shall be in addition to the na-
16 tional acreage reserve provided for in this subsection. Such
17 special acreage reserve shall be made available to the States
18 to make additional allotments to counties on the basis of the
19 relative needs of counties, as determined by the Secretary,
20 for additional allotments to make adjustments in the allot-
21 ments on old wheat farms (that is, farms on which wheat has
22 been seeded or regarded as seeded to one or more of the
23 three crops immediately preceding the crop for which the
24 allotment is established) on which the ratio of wheat acreage
25 allotment to cropland on the farm is less than one-half the

1 average ratio of wheat acreage allotment to cropland on old
2 wheat farms in the county. Such adjustments shall not pro-
3 vide an allotment for any farm which would result in allot-
4 ment-cropland ratio for the farm in excess of one-half of such
5 county average ratio and the total of such adjustments in
6 any county shall not exceed the acreage made avail-
7 able therefor in the county. Such apportionment from the
8 special acreage reserve shall be made only to counties where
9 wheat is a major income-producing crop; only to farms on
10 which there is limited opportunity for the production of an
11 alternative income-producing crop; and only if an efficient
12 farming operation on the farm requires the allotment of addi-
13 tional acreage from the special acreage reserve. For the
14 purposes of making adjustments hereunder the cropland on
15 the farm shall not include any land developed as cropland
16 subsequent to the 1963 crop year."

17 (4) Subsection (b) of section 334 is amended to read
18 as follows:

19 "(b) The State acreage allotment for wheat, less a re-
20 serve of not to exceed 3 per centum thereof for appor-
21 tionment as provided in subsection (c) of this section, shall be
22 apportioned by the Secretary among the counties in the
23 State, on the basis of the preceding year's wheat allotment
24 in each such county, including for 1966 the increased acre-

1 age in the county allotted for 1965 pursuant to section 335;
2 adjusted to the extent deemed necessary by the Secretary
3 in order to establish a fair and equitable apportionment base
4 for each county, taking into consideration established crop
5 rotation practices, estimated decrease in farm allotments
6 because of loss of history, and other relevant factors.”

7 ~~(5)~~ Subsection ~~(e)~~ of section 334 is amended by adding
8 new paragraphs ~~(3)~~ and ~~(4)~~ to read as follows:

9 ~~“(3)~~ Notwithstanding the provisions of paragraph ~~(1)~~
10 of this subsection, the past acreage of wheat for 1966 and
11 any subsequent year shall be the acreage of wheat planted,
12 plus the acreage regarded as planted, for the harvest as grain
13 on the farm which is not in excess of the farm acreage
14 allotment.

15 ~~“(4)~~ Notwithstanding any other provision of this sub-
16 section ~~(e)~~, the farm acreage allotment for the 1966 and
17 any subsequent crop of wheat shall be established for each
18 old farm by apportioning the county wheat acreage allot-
19 ment among farms in the county on which wheat has been
20 planted, or is considered to have been planted, for harvest
21 as grain in any one of the three years immediately preceding
22 the year for which allotments are determined on the basis
23 of past acreage of wheat and the farm acreage allotment
24 for the year immediately preceding the year for which the
25 allotment is being established adjusted as hereinafter pro-

1 vided. For purposes of this paragraph, the acreage allot-
2 ment for the immediately preceding year may be adjusted to
3 reflect established crop-rotation practices, may be adjusted
4 downward to reflect a reduction in the tillable acreage on
5 the farm and may be adjusted upward to reflect such other
6 factors as the Secretary determines should be considered
7 for the purpose of establishing a fair and equitable allotment:
8 *Provided*, That (i) for purposes of computing the 1966
9 allotment for any farm not in compliance with its 1964
10 farm acreage allotment, the 1965 acreage allotment shall
11 be reduced by 7 per centum; (ii) for the purposes of com-
12 puting the allotment for any year, the acreage allotment
13 for the farm for the immediately preceding year shall be
14 decreased by 7 per centum if for the year immediately pre-
15 ceeding the year for which such reduction is made neither a
16 voluntary division program nor a certificate program was
17 in effect and there was noncompliance with the farm acreage
18 allotment for such year; (iii) for purposes of clause (ii),
19 any farm on which the entire amount of farm market-
20 ing excess is delivered to the Secretary, stored, or adjusted
21 to zero in accordance with applicable regulations to avoid
22 or postpone payment of the penalty when farm marketing
23 quotas are in effect, shall be considered in compliance with
24 the allotment, but if any part of the amount of wheat so
25 stored is later depleted and penalty becomes due by reason

1 of such depletion, the allotment for such farm next computed
 2 after determination of such depletion shall be reduced by
 3 reducing the allotment for the immediately preceding year
 4 by 7 per centum; and ~~(iv)~~ for purposes of clauses ~~(i)~~ and
 5 ~~(ii)~~ if the Secretary determines that the reduction in the
 6 allotment does not provide fair and equitable treatment to
 7 producers on farms following special crop-rotation practices,
 8 he may modify such reduction in the allotment as he deter-
 9 mines to be necessary to provide fair and equitable treatment
 10 to such producers."

11 ~~(6)~~ Subsection ~~(d)~~ of section 334 is repealed.

12 ~~(7)~~ Subsection ~~(g)~~ of section 334 is amended by
 13 striking out the language "except as prescribed in the
 14 provisos to the first sentence of subsections ~~(a)~~ and ~~(b)~~,
 15 respectively, of this section" in the first sentence.

16 ~~(8)~~ Section 335 is amended by adding at the end
 17 thereof the following: "This section shall not be applicable
 18 to the crops planted for harvest in 1966 and subsequent
 19 years."

20 ~~(9)~~ Section 339 ~~(b)~~ is amended ~~(1)~~ by striking out
 21 "1964 and 1965 crops of wheat" and substituting "crops of
 22 wheat planted for harvest in the calendar years 1964 through
 23 1969"; and ~~(2)~~ by striking out of the third sentence "20
 24 per centum of the farm acreage allotment" and "fifteen

1 acres” and substituting “50 per centum of the farm acreage
2 allotment” and “twenty-five acres”, respectively.

3 ~~(10)~~ Section 339(e) is amended to read as follows:
4 “The Secretary may permit all or any part of the diverted
5 acreage to be devoted to the production of guar, sesame,
6 safflower, sunflower, castor beans, mustard seed, and flax,
7 if he determines that such production of the commodity is
8 needed to provide an adequate supply, is not likely to
9 increase the cost of the price-support program and will not
10 adversely affect farm income, subject to the condition that
11 payment with respect to diverted acreage devoted to any
12 such crop shall be at a rate determined by the Secretary to
13 be fair and reasonable taking into consideration the use of
14 such acreage for the production of such crops: *Provided*, That
15 in no event shall the payment exceed one-half the rate which
16 otherwise would be applicable if such acreage were devoted
17 to conservation uses.”

18 SEC. 502. Effective only with respect to the crops of
19 wheat planted for harvest in the calendar years 1966 through
20 1969, and the marketing years for such crops, section 379b
21 is amended to read as follows:

22 “SEC. 379b. A wheat marketing allocation program as
23 provided in this subtitle shall be in effect for the marketing
24 years for the crops planted for harvest in the calendar years

1 1966 through 1969. Whenever a wheat marketing alloca-
2 tion program is in effect for any marketing year the Secre-
3 tary shall determine ~~(1)~~ the wheat marketing allocation for
4 such year which shall be ~~(i)~~ the amount of wheat he esti-
5 mates will be used during such year for food products for
6 consumption in the United States; but the amount of wheat
7 included in the marketing allocation for food products for con-
8 sumption in the United States shall not be less than five hun-
9 dred million bushels; and ~~(ii)~~ that portion of the amount of
10 wheat which he estimates will be exported in the form of
11 wheat or products thereof during the marketing year on
12 which the Secretary determines that marketing certificates
13 shall be issued to producers in order to achieve, insofar
14 as practicable, the price and income objectives of this
15 subtitle; and ~~(2)~~ the national allocation percentage for
16 such year which shall be the percentage which the
17 national marketing allocation is of the amount of the
18 national marketing quota for wheat that would be
19 determined for such marketing year if a national marketing
20 quota for such year had been proclaimed less the expected
21 production on the acreage allotments for farms which will
22 not be in compliance with the requirements of the program.
23 The cost of any domestic marketing certificates issued to
24 producers in excess of the number of certificates acquired by
25 processors as a result of the application of the five hundred

1 million bushel minimum or an overestimate of the amount
2 of wheat used during such year for food products for con-
3 sumption in the United States shall be borne by Commodity
4 Credit Corporation. Each farm shall receive a wheat mar-
5 keting allocation for such marketing year equal to the num-
6 ber of bushels obtained by multiplying the number of acres
7 in the farm acreage allotment for wheat by the projected
8 farm yield, and multiplying the resulting number of bushels
9 by the national allocation percentage.”

10 SEC. 503. Effective beginning with the 1970 crop, sec-
11 tion 379b is amended by striking out “normal yield of wheat
12 for the farm as determined by the Secretary” and substituting
13 “projected farm yield”.

14 SEC. 504. (a) Effective upon enactment of this Act, sec-
15 tion 379d(b) is amended by striking out the third sentence
16 and substituting the following: “The Secretary may exempt
17 from the requirements of this subsection wheat exported for
18 donation abroad and other nonecommercial exports of wheat,
19 wheat processed for use on the farm where grown, wheat pro-
20 duced by a State or agency thereof and processed for use by
21 the State or agency thereof, wheat processed for donation, and
22 wheat processed for uses determined by the Secretary to be
23 nonecommercial. Such exemptions may be made applicable
24 with respect to any wheat processed or exported beginning
25 July 1, 1964. There shall be exempt from the requirements

1 of this subsection beverage distilled from wheat prior to
2 July 1, 1964. A beverage distilled from wheat after July 1,
3 1964, shall be deemed to be removed for sale or consumption
4 at the time it is placed in barrels for aging except that upon
5 the giving of a bond as prescribed by the Secretary, the pur-
6 chase of and payment for such marketing certificates as may
7 be required may be deferred until such beverage is bottled for
8 sale. Wheat shipped to a Canadian port for storage in bond,
9 or storage under a similar arrangement, and subsequent ex-
10 portation, shall be deemed to have been exported for pur-
11 poses of this subsection when it is exported from the Ca-
12 nadian port."

13 (b) Section 379(d) is amended by inserting after the
14 word "flour" the following: "(excluding flour clears not used
15 for human consumption as determined by the Secretary)".

16 This subsection shall be effective on or after sixty days
17 following enactment of this Act, unless the Secretary shall
18 by regulation designate an earlier effective date within such
19 sixty-day period.

20 (c) Section 379d(b) is amended by adding at the end
21 thereof the following: "Whenever the face value per bushel
22 of domestic marketing certificates for a marketing year is
23 different from the face value of domestic marketing certifi-
24 cates for the preceding marketing year, the Secretary may
25 require marketing certificates issued for the preceding mar-

1 keting year to be acquired to cover all wheat processed into
 2 food products during such preceding marketing year even
 3 though the food product may be marketed or removed for
 4 sale or consumption after the end of the marketing year."

5 (d) Section 379g is amended by inserting "(a)" after
 6 "SEC. 379g" and adding a new subsection (b) as follows:

7 "(b) Whenever the face value per bushel of domestic
 8 marketing certificates for a marketing year is substantially
 9 different from the face value of domestic marketing certifi-
 10 cates for the preceding marketing year, the Secretary is
 11 authorized to take such action as he determines necessary to
 12 facilitate the transition between marketing years. Notwith-
 13 standing any other provision of this subtitle, such authority
 14 shall include, but shall not be limited to, the authority to sell
 15 certificates to persons engaged in the processing of wheat
 16 into food products covering such quantities of wheat, at such
 17 prices, and under such terms and conditions as the Secretary
 18 may by regulation provide. Any such certificate shall be
 19 issued by Commodity Credit Corporation."

20 SEC. 505. The Agricultural Act of 1964 is amended as
 21 follows:

22 (1) Amendment (7) of section 202 is amended by
 23 striking out "1964 and 1965" and substituting "the calendar
 24 years 1964 through 1969".

25 (2) Amendment (13) of section 202 is amended by

1 striking out "only with respect to the crop planted for har-
 2 vest in the calendar year 1965" and substituting "with re-
 3 spect to the crops planted for harvest in the calendar years
 4 1965 through 1969".

5 ~~(3)~~ Section 204 is amended by striking out "1964 and
 6 1965" and substituting "1964 through 1969".

7 SEC. 506. Effective beginning with the 1966 crop, see-
 8 tion 107 of the Agricultural Act of 1949, as amended, is
 9 amended to read as follows:

10 "SEC. 107. Notwithstanding the provisions of section
 11 101 of this Act, beginning with the 1966 crop—

12 ~~"(1)~~ Whenever a wheat marketing allocation pro-
 13 gram is in effect, ~~(a)~~ price support for wheat accom-
 14 panied by domestic certificates shall be at 100 per
 15 centum of the parity price or as near thereto as the Sec-
 16 retary determines practicable, but in no event less than
 17 \$2.50 per bushel, ~~(b)~~ price support for wheat accom-
 18 panied by export certificates shall be at such level, not
 19 in excess of the parity price therefor, as the Secretary
 20 determines, and ~~(c)~~ price support for wheat not accom-
 21 panied by marketing certificates shall be at such level,
 22 not in excess of the parity price therefor, as the Secre-
 23 tary determines appropriate, taking into consideration
 24 competitive world prices of wheat, the feeding value of

wheat in relation to feed grains, and the level at which price support is made available for feed grains.

~~“(2) Whenever a wheat marketing allocation program is not in effect, the level of price support for any crop of wheat for which a national marketing quota is not proclaimed or for which marketing quotas have been disapproved by producers shall be as provided in section 101.~~

~~“(3) Price support shall be made available only to cooperators.~~

~~“(4) A ‘cooperator’ with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or post-~~

1 pone payment of the penalty, but the producer shall not
 2 be eligible to receive price support on such marketing
 3 excess. No producer shall be deemed to have exceeded
 4 a farm acreage allotment for wheat if the production on
 5 the acreage in excess of the farm acreage allotment is
 6 stored pursuant to the provisions of section 379(b), but
 7 the producer shall not be eligible to receive price sup-
 8 port on the wheat so stored."

9 SEC. 507. Effective beginning with the crop planted for
 10 harvest in the calendar year 1966, section 339(a) of the
 11 Agricultural Adjustment Act of 1938, as amended, is
 12 amended by inserting after the words "national acreage allot-
 13 ment", wherever they appear, the following: "(less an
 14 acreage equal to the increased acreage allotted for 1965
 15 pursuant to section 335)".

16 SEC. 508. Effective beginning with crop planted for
 17 harvest in the calendar year 1966, section 379e(a) of the
 18 Agricultural Adjustment Act of 1938, as amended, is
 19 amended by amending the third sentence to read as follows:
 20 "The Secretary shall provide for the sharing of wheat
 21 marketing certificates among producers on the farm on a
 22 fair and equitable basis.", and by adding at the end thereof
 23 the following: "An acreage on the farm not planted to wheat
 24 because of drought, flood, or other natural disaster shall be

1 deemed to be an actual acreage of wheat planted for harvest
2 for purposes of this subsection."

3 SEC. 509. Section 301(b) of the Agricultural Adjust-
4 ment Act of 1938, as amended, is amended as follows:

5 (1) Paragraph (8) is amended by inserting "(A)"
6 after "(8)" and adding the following new subparagraph:

7 "(B) 'Projected national yield' as applied to any crop
8 of wheat shall be determined on the basis of the national
9 yield per harvested acre of the commodity during each of
10 the five calendar years immediately preceding the year in
11 which such projected national yield is determined, adjusted
12 for abnormal weather conditions affecting such yield, for
13 trends in yields and for any significant changes in produc-
14 tion practices."

15 (2) Paragraph (13) is amended by adding the follow-
16 ing new subparagraphs:

17 "(J) 'Projected county yield' for any crop of wheat
18 shall be determined on the basis of the yield per harvested
19 acre of such crop in the county during each of the five cal-
20 endar years immediately preceding the year in which such
21 projected county yield is determined, adjusted for abnormal
22 weather conditions affecting such yield, for trends in yields
23 and for any significant changes in production practices.

24 "(K) 'Projected farm yield' for any crop of wheat shall

1 be determined on the basis of the yield per harvested acre of
 2 such crop, on the farm during each of the three calendar
 3 years immediately preceding the year in which such pro-
 4 jected farm yield is determined, adjusted for abnormal
 5 weather conditions affecting such yield, for trends in yields
 6 and for any significant changes in production practices, but
 7 in no event shall such projected farm yield be less than the
 8 normal yield for such farm as provided in subparagraph (E)
 9 of this paragraph."

10 SEC. 510. (a) Section 379c(b) of the Agricultural Ad-
 11 justment Act of 1938, as amended, is amended, effective
 12 beginning with the 1966 crop, by striking out of the fifth
 13 sentence the words "normal yield of wheat per acre estab-
 14 lished for the farm" and substituting therefor the words
 15 "projected farm yield".

16 (b) Section 379i of the Agricultural Adjustment Act of
 17 1938, as amended, is amended, effective as of the effective
 18 date of the original enactment of the section, by inserting in
 19 subsections (a) and (b) after the word "who", wherever it
 20 appears, the word "knowingly".

21 SEC. 511. (a) Effective beginning with the crop planted
 22 for harvest in 1966, paragraph (9) of section 301(b) of the
 23 Agricultural Adjustment Act of 1938, as amended, is
 24 amended to read as follows:

25 "(9) 'Normal production' as applied to any number of

1 acres of rice or cotton means the normal yield for the farm
 2 times such number of acres and for wheat means the pro-
 3 jected farm yield times such number of acres."

4 ~~(b)~~ Public Law 74, Seventy-seventh Congress, as
 5 amended, is amended by changing the words "normal yield
 6 of wheat per acre established for the farm" in paragraph ~~(1)~~
 7 to the words "projected farm yield".

8 SEC. 512. In establishing terms and conditions for per-
 9 mitting wheat to be planted in lieu of oats and rye, the
 10 Secretary may take into account the number of feed units
 11 per acre of wheat in relation to the number of feed units
 12 per acre of oats and rye.

13 SEC. 513. Section 379e of the Agricultural Adjustment
 14 Act of 1938, as amended, is amended, effective beginning
 15 with the crop planted for harvest in the calendar year 1964,
 16 by adding the following subsection:

17 "(e) Notwithstanding any other provision of law, the
 18 amount of certificates issued with respect to any farm may be
 19 adjusted by the Secretary for failure of a producer to comply
 20 fully with the terms and conditions of the program formu-
 21 lated under this subtitle."

22 SEC. 514. Section 379e of the Agricultural Adjustment
 23 Act of 1938, as amended, is amended by adding at the end
 24 thereof the following:

25 "Notwithstanding any other provision of this Act, Com-

1 modity Credit Corporation shall sell marketing certificates
2 for the marketing years for the 1966 through the 1969
3 wheat crops to persons engaged in the processing of food
4 products at the face value thereof less any amount by which
5 price support for wheat accompanied by domestic certificates
6 exceeds \$2 per bushel.”

7 TITLE VI—CROPLAND ADJUSTMENT

8 SEC. 601. The Soil Bank Act of 1956, as amended,
9 is hereby repealed, except that it shall remain in effect with
10 respect to contracts entered into prior to such repeal.

11 SEC. 602. (a) Notwithstanding any other provision of
12 law, for the purpose of reducing the costs of farm programs,
13 assisting farmers in turning their land to nonagricultural uses,
14 promoting the development and conservation of the Nation’s
15 soil, water, forest, wildlife, and recreational resources, estab-
16 lishing, protecting, and conserving open spaces and natural
17 beauty, the Secretary of Agriculture is authorized to for-
18 mulate and carry out a program during the calendar years
19 1965 through 1969 under which agreements would be en-
20 tered into with producers as hereinafter provided for periods
21 of not less than five nor more than ten years. No agreement
22 shall be entered into under this section concerning land with
23 respect to which the ownership has changed in the five-year
24 period preceding the first year of the agreement period unless
25 the new ownership was acquired by will or succession as a

1 result of the death of the previous owner: *Provided*, That
 2 this provision shall not be construed to prohibit the continua-
 3 tion of an agreement by a new owner after an agreement has
 4 once been entered into under this section.

5 ~~(b)~~ The producer shall agree ~~(1)~~ to divert from pro-
 6 duction all of one or more crops designated by the Secretary;
 7 ~~(2)~~ to carry out on a specifically designated acreage of land
 8 on the farm regularly used in the production of crops (here-
 9 inafter called "designated acreage") and maintain for the
 10 agreement period practices or uses which will conserve soil,
 11 water, or forest resources, or establish or protect or conserve
 12 open spaces, natural beauty, wildlife or recreational re-
 13 sources, or prevent air or water pollution, in such manner as
 14 the Secretary may prescribe; ~~(3)~~ to maintain in conserving
 15 crops or uses or allow to remain idle throughout the agree-
 16 ment period the acreage normally devoted to such crops or
 17 uses; ~~(4)~~ not to harvest any crop from or graze the des-
 18 ignated acreage during the agreement period, unless the Sec-
 19 retary, after certification by the Governor of the State in
 20 which such acreage is situated of the need for grazing or
 21 harvesting of such acreage, determines that it is necessary
 22 to permit grazing or harvesting in order to alleviate damage,
 23 hardship, or suffering caused by severe drought, flood, or
 24 other natural disaster, and consents to such grazing or har-

1 vesting subject to an appropriate reduction in the rate of
2 payment; and ~~(5)~~ to such additional terms and conditions
3 as the Secretary determines are desirable to effectuate the
4 purposes of the program, including such measures as the
5 Secretary may deem appropriate to keep the designated
6 acreage free from erosion, insects, weeds, and rodents.

7 ~~(e)~~ Under such agreements the Secretary shall ~~(1)~~
8 bear such part of the average cost ~~(including labor)~~ for the
9 county or area in which the farm is situated of establishing
10 and maintaining authorized practices or uses on the desig-
11 nated acreage as the Secretary determines to be necessary
12 to effectuate the purposes of the program, but not to exceed
13 the average rate for comparable practices or uses under the
14 agricultural conservation program; and ~~(2)~~ make an annual
15 adjustment payment to the producer for the period of the
16 agreement at such rate or rates as the Secretary determines
17 to be fair and reasonable in consideration of the obligations
18 undertaken by the producers. The rate or rates of annual
19 adjustment payments as determined hereunder shall be in-
20 creased by an amount determined by the Secretary to be
21 appropriate in relation to the benefit to the general public
22 of the use of the designated acreage if the producer further
23 agrees to permit, without other compensation, access to such
24 acreage by the general public, during the agreement period,
25 for hunting, trapping, fishing, and hiking, subject to appli-

1 eable State and Federal regulations. The Secretary may
2 make the annual adjustment payments for all years of the
3 agreement period upon approval of the agreement or in such
4 installments as he determines to be desirable: *Provided*, That
5 for each year any annual adjustment payment is made in
6 advance of performance, the annual adjustment payment
7 shall be reduced by 5 per centum. The Secretary may pro-
8 vide for adjusting any payment on account of failure to
9 comply with the terms and conditions of the program.

10 (d) The Secretary shall, unless he determines that such
11 action will be inconsistent with the effective administration
12 of the program, use an advertising and bid procedure in de-
13 termining the lands in any area to be covered by agreements.
14 The total acreage placed under agreement in any county
15 shall be limited to a percentage of the total eligible acreage
16 in such county which the Secretary determines would not
17 adversely affect the economy of the county.

18 (e) The annual adjustment payment shall not exceed
19 50 per centum of the estimated value, as determined by the
20 Secretary, on the basis of prices in effect at the time the
21 agreement is entered into, of the crops or types of crops
22 which might otherwise be grown. The estimated value may
23 be established by the Secretary on a county, area, or in-
24 dividual farm basis as he deems appropriate.

25 (f) The Secretary may terminate any agreement with

1 a producer by mutual agreement with the producer if the
2 Secretary determines that such termination would be in the
3 public interest, and may agree to such modification of agree-
4 ments as he may determine to be desirable to carry out the
5 purposes of the program or facilitate its administration.

6 (g) The Secretary may, to the extent he deems it de-
7 sirable, provide by appropriate regulations for preservation
8 of cropland, crop acreage, and allotment history applicable
9 to acreage diverted from the production of crops under the
10 program for the purpose of any Federal program under
11 which such history is used as a basis for an allotment or
12 other limitation or for participation in such program.

13 (h) In carrying out the program, the Secretary shall
14 utilize the services of local, county, and State committees
15 established under section 8 of the Soil Conservation and
16 Domestic Allotment Act, as amended.

17 (i) For the purpose of obtaining an increase in the
18 permanent retirement of cropland to noncrop uses the Sec-
19 retary may, notwithstanding any other provision of law,
20 transfer funds appropriated for carrying out the program
21 to any other Federal agency or to States or local govern-
22 ment agencies for use in acquiring cropland for the preser-
23 vation of open spaces, natural beauty, the development of
24 wildlife or recreational facilities, or the prevention of air or
25 water pollution under terms and conditions consistent with

1 and at costs not greater than those under agreements entered
2 into with producers, provided the Secretary determines that
3 the purposes of the program will be accomplished by such
4 action.

5 ~~(j)~~ The Secretary also is authorized to share the cost
6 with State and local governmental agencies in the estab-
7 lishment of practices or uses which will establish, protect, and
8 conserve open spaces, natural beauty, wildlife or recreational
9 resources, or prevent air or water pollution under terms and
10 conditions and at costs consistent with those under agree-
11 ments entered into with producers, provided the Secretary
12 determines that the purposes of the program will be accom-
13 plished by such action.

14 ~~(k)~~ The Secretary is authorized to utilize the facilities,
15 services, authorities, and funds of the Commodity Credit
16 Corporation in discharging his functions and responsibilities
17 under this program, including payment of costs of adminis-
18 tration. There are hereby authorized to be appropriated
19 such sums as may be necessary to carry out the program,
20 including such amounts as may be required to make pay-
21 ments to the Corporation for its actual costs incurred or
22 to be incurred under this program.

23 ~~(l)~~ In case any producer who is entitled to any pay-
24 ment or compensation dies, becomes incompetent, or dis-
25 appears before receiving such payment or compensation, or

1 is succeeded by another who renders or completes the re-
 2 quired performance, the payment or compensation shall,
 3 without regard to any other provisions of law, be made as
 4 the Secretary may determine to be fair and reasonable in
 5 all the circumstances and so provide by regulations.

6 ~~(m)~~ The Secretary shall provide adequate safeguards
 7 to protect the interests of tenants and sharecroppers, includ-
 8 ing provision of sharing, on a fair and equitable basis, in pay-
 9 ments or compensation under this program.

10 ~~(n)~~ The Secretary shall prescribe such regulations as
 11 he determines necessary to carry out the provisions of this
 12 title.

13 TITLE VII—MISCELLANEOUS

14 SEC. 701. Section 374(a) of the Agricultural Adjust-
 15 ment Act of 1938, as amended, is amended to read as
 16 follows:

17 ~~“(a)~~ The Secretary shall provide for ascertaining, by
 18 measurement the acreage of peanuts and tobacco and by
 19 measurement or otherwise, the acreage of wheat, cotton,
 20 rice, or any other agricultural commodity or land use on
 21 farms for which the ascertainment of such acreage is neces-
 22 sary to determine compliance under any program adminis-
 23 tered by the Secretary. Insofar as practicable, the acreage
 24 of the commodity and land use shall be ascertained prior to
 25 harvest, and, if any acreage so ascertained is not in com-

1 pliance with the requirements of the program, the Secretary,
2 under such terms and conditions as he prescribes, may pro-
3 vide a reasonable time for the adjustment of the acreage of
4 the commodity or land use to the requirements of the
5 program."

6 SEC. 702. Section 374(e) of the Agricultural Adjust-
7 ment Act of 1938, as amended, is amended by deleting the
8 first sentence thereof.

9 SEC. 703. Subsection (a) of section 316 of the Agri-
10 cultural Adjustment Act of 1938, as amended, is amended
11 (i) by striking out of the first sentence thereof "1962, 1963,
12 1964, and 1965," and inserting "1962 through 1969" and
13 (ii) by striking out of the last sentence thereof "1964 or
14 1965" and inserting "a 1964 through 1969".

15 SEC. 704. The Act of August 13, 1957 (Public Law
16 85-127), as amended, is amended by striking out the last
17 sentence thereof.

18 SEC. 705. The Secretary of Agriculture in coop-
19 eration with the House Committee on Agriculture and the
20 Senate Committee on Agriculture and Forestry shall make
21 a study of the parity income position of farmers and report
22 thereon to the Congress not later than June 30, 1966. The
23 report shall include a recommended formula for determining
24 parity income.

1 SEC. 706. Notwithstanding any other provision of law,
2 the Secretary, upon the request of any agency of any State
3 charged with the administration of the public lands of the
4 State, may permit the transfer of acreage allotments or feed
5 grain bases together with relevant production histories which
6 have been determined pursuant to the Agricultural Adjust-
7 ment Act of 1938, as amended, or section 16 of the Soil
8 Conservation and Domestic Allotment Act, as amended,
9 from any farm composed of public lands to any other farm
10 or farms in the same county composed of public lands: *Pro-*
11 *vided,* That as a condition for the transfer of any allotment
12 or base an acreage equal to or greater than the allotment or
13 base transferred prior to adjustment, if any, shall be devoted
14 to and maintained in permanent vegetative cover on the
15 farm from which the transfer is made. The Secretary shall
16 prescribe regulations which he deems necessary for the
17 administration of this section, which may provide for adjust-
18 ing downward the size of the allotment or base transferred
19 if the farm to which the allotment or base is transferred
20 normally has a higher yield per acre for the commodity for
21 which the allotment or base is determined, for reasonable
22 limitations on the size of the resulting allotments and bases
23 on farms to which transfers are made, taking into account
24 the size of the allotments and bases on farms of similar size
25 in the community, and for retransferring allotments or bases

1 and relevant histories if the conditions of the transfer are
2 not fulfilled.

3 That this Act may be cited as the "Food and Agriculture Act
4 of 1965".

5 TITLE I—WHEAT

6 SEC. 101. Effective beginning with the crop planted for
7 harvest in the calendar year 1966, the Agricultural Adjust-
8 ment Act of 1938, as amended, is amended as follows:

9 (1) Section 332 is amended by changing item (iv) in
10 subsection (b) to read: "will be utilized during such mar-
11 keting year in the United States as livestock (including poul-
12 try) feed, excluding estimated quantity of wheat which will
13 be utilized for such purposes as a result of the substitution
14 of wheat for feed grains under section 328 of the Food and
15 Agriculture Act of 1962" and by adding the following new
16 subsection:

17 "(d) Notwithstanding any other provision of this Act,
18 the Secretary shall not proclaim a national marketing quota
19 for the crops of wheat planted for harvest in the calendar
20 years 1966 through 1969, and farm marketing quotas shall
21 not be in effect for such crops of wheat."

22 (2) Section 333 is amended to read as follows: "The
23 Secretary shall proclaim a national acreage allotment for
24 each crop of wheat. The amount of the national acreage
25 allotment for any crop of wheat shall be the number of acres

1 *which the Secretary determines on the basis of the projected*
2 *national yield and expected underplantings (acreage other*
3 *than that not harvested because of program incentives) of*
4 *farm acreage allotments will produce an amount of wheat*
5 *equal to the national marketing quota for wheat for the*
6 *marketing year for such crop or, if a national marketing*
7 *quota was not proclaimed, the quota which would have been*
8 *determined if one had been proclaimed.”*

9 (3) Subsection (a) of section 334 is amended to read
10 *as follows:*

11 “(a) The national allotment for wheat, less a reserve
12 *of not to exceed one per centum thereof for apportionment*
13 *as provided in this subsection and less the special acreage*
14 *reserve provided for in this subsection, shall be apportioned*
15 *by the Secretary among the States on the basis of the pre-*
16 *ceding year’s allotment for each such State, including all*
17 *amounts allotted to the State and including for 1966 the in-*
18 *creased acreage in the State allotted for 1965 under section*
19 *335, adjusted to the extent deemed necessary by the Secre-*
20 *tary to establish a fair and equitable apportionment base for*
21 *each State, taking into consideration established crop-rotation*
22 *practices, estimated decrease in farm allotments because of*
23 *loss of history, and other relevant factors. The reserve acre-*
24 *age set aside herein for apportionment by the Secretary shall*
25 *be used to make allotments to counties in addition to the*

1 county allotments made under subsection (b) of this section,
2 on the basis of the relative needs of counties for additional
3 allotments because of reclamation and other new areas com-
4 ing into production of wheat. There also shall be made avail-
5 able a special acreage reserve of not in excess of one million
6 acres as determined by the Secretary to be desirable for the
7 purposes hereof which shall be in addition to the national
8 acreage reserve provided for in this subsection. Such special
9 acreage reserve shall be made available to the States to make
10 additional allotments to counties on the basis of the relative
11 needs of counties, as determined by the Secretary, for addi-
12 tional allotments to make adjustments in the allotments on
13 old wheat farms (that is, farms on which wheat has been
14 seeded or regarded as seeded to one or more of the three crops
15 immediately preceding the crop for which the allotment is
16 established) on which the ratio of wheat acreage allotment
17 to cropland on the farm is less than one-half the average
18 ratio of wheat acreage allotment to cropland on old wheat
19 farms in the county. Such adjustments shall not provide an
20 allotment for any farm which would result in an allotment-
21 cropland ratio for the farm in excess of one-half of such
22 county average ratio and the total of such adjustments in any
23 county shall not exceed the acreage made available therefor
24 in the county. Such apportionment from the special acreage
25 reserve shall be made only to counties where wheat is a

1 major income-producing crop, only to farms on which there
2 is limited opportunity for the production of an alternative
3 income-producing crop, and only if an efficient farming op-
4 eration on the farm requires the allotment of additional acre-
5 age from the special acreage reserve. For the purposes of
6 making adjustments hereunder the cropland on the farm
7 shall not include any land developed as cropland subsequent
8 to the 1963 crop year.”

9 (4) Subsection (b) of section 334 is amended to read
10 as follows:

11 “(b) The State acreage allotment for wheat, less a
12 reserve of not to exceed 3 per centum thereof for apportion-
13 ment as provided in subsection (c) of this section, shall be
14 apportioned by the Secretary among the counties in the
15 State, on the basis of the preceding year’s wheat allotment
16 in each such county, including for 1966 the increased
17 acreage in the county allotted for 1965 pursuant to section
18 335, adjusted to the extent deemed necessary by the Secre-
19 tary in order to establish a fair and equitable apportionment
20 base for each county, taking into consideration established
21 crop-rotation practices, estimated decrease in farm allotments
22 because of loss of history, and other relevant factors.”

23 (5) Subsection (c) of section 334 is amended by add-
24 ing new paragraphs (3) and (4) to read as follows:

25 “(3) Notwithstanding the provisions of paragraph (1)

1 of this subsection, the past acreage of wheat for 1966 and
2 any subsequent year shall be the acreage of wheat planted,
3 plus the acreage regarded as planted, for harvest as grain
4 on the farm which is not in excess of the farm acreage allot-
5 ment.

6 “(4) Notwithstanding any other provision of this sub-
7 section (c), the farm acreage allotment for the 1966 and any
8 subsequent crop of wheat shall be established for each old
9 farm by apportioning the county wheat acreage allotment
10 among farms in the county on which wheat has been planted,
11 or is considered to have been planted, for harvest as grain
12 in any one of the three years immediately preceding the
13 year for which allotments are determined on the basis of
14 past acreage of wheat and the farm acreage allotment for
15 the year immediately preceding the year for which the
16 allotment is being established, adjusted as hereinafter pro-
17 vided. For purposes of this paragraph, the acreage allot-
18 ment for the immediately preceding year may be adjusted to
19 reflect established crop-rotation practices, may be adjusted
20 downward to reflect a reduction in the tillable acreage on the
21 farm, and may be adjusted to reflect such other factors as the
22 Secretary determines should be considered for the purpose
23 of establishing a fair and equitable allotment: Provided, That
24 (i) for purposes of computing the 1966 allotment for
25 any farm not in compliance with its 1964 farm acreage allot-

1 ment, the 1965 acreage allotment shall be reduced by 7
2 per centum; (ii) for the purposes of computing the allot-
3 ment for any year, the acreage allotment for the farm for the
4 immediately preceding year shall be decreased by 7 per
5 centum if for the year immediately preceding the year for
6 which such reduction is made neither a voluntary diversion
7 program nor a voluntary certificate program was in effect
8 and there was noncompliance with the farm acreage allot-
9 ment for such year; and (iii) for purposes of clause (ii),
10 any farm on which the entire amount of farm marketing
11 excess is delivered to the Secretary, stored, or adjusted to
12 zero in accordance with applicable regulations to avoid or
13 postpone payment of the penalty when farm marketing
14 quotas are in effect, shall be considered in compliance with
15 the allotment, but if any part of the amount of wheat so
16 stored is later depleted and penalty becomes due by reason
17 of such depletion, the allotment for such farm next computed
18 after determination of such depletion shall be reduced by
19 reducing the allotment for the immediately preceding year
20 by 7 per centum."

21 (6) Subsection (d) of section 334 is repealed.

22 (7) Subsection (g) of section 334 is amended by strik-
23 ing out the language "except as prescribed in the provisos
24 to the first sentence of subsections (a) and (b), respec-
25 tively, of this section" in the first sentence.

1 (8) Section 335 is amended by adding at the end
2 thereof the following: "This section shall not be applicable
3 to the crops planted for harvest in 1966 and subsequent
4 years."

5 (9) Section 339(b) is amended (1) by striking out
6 "1964 and 1965 crops of wheat" and substituting "crops of
7 wheat planted for harvest in the calendar years 1964 through
8 1969", (2) by striking out of the third sentence "20 per
9 centum of the farm acreage allotment" and "fifteen acres"
10 and substituting "50 per centum of the farm acreage allot-
11 ment" and "twenty-five acres", respectively.

12 (10) Section 339(e) is amended to read as follows:
13 "The Secretary may permit all or any part of the diverted
14 acreage to be devoted to the production of guar, sesame,
15 safflower, sunflower, castor beans, mustard seed, crambe,
16 and flax, if he determines that such production of the com-
17 modity is needed to provide an adequate supply, is not likely
18 to increase the cost of the price support program, and will not
19 adversely affect farm income, subject to the condition that
20 payment with respect to diverted acreage devoted to any
21 such crop shall be at a rate determined by the Secretary to
22 be fair and reasonable taking into consideration the use of
23 such acreage for the production of such crops: Provided,
24 That in no event shall the payment exceed one-half the rate

1 which otherwise would be applicable if such acreage were
2 devoted to conservation uses.”

3 *SEC. 102. Effective only with respect to the crops of*
4 *wheat planted for harvest in the calendar years 1966 through*
5 *1969, and the marketing years for such crops, section 379b*
6 *is amended to read as follows:*

7 “*SEC. 379b. A wheat marketing allocation program as*
8 *provided in this subtitle shall be in effect for the marketing*
9 *years for the crops planted for harvest in the calendar years*
10 *1966 through 1969. Whenever a wheat marketing alloca-*
11 *tion program is in effect for any marketing year the Secre-*
12 *tary shall determine (1) the wheat marketing allocation for*
13 *such year which shall be the amount of wheat he estimates*
14 *will be used during such year for food products for consump-*
15 *tion in the United States, and (2) the national allocation*
16 *percentage for such year which shall be the percentage which*
17 *the national marketing allocation is of the amount of the*
18 *national marketing quota for wheat that would be determined*
19 *for such marketing year if a national marketing quota for*
20 *such year had been proclaimed less the expected production*
21 *on the acreage allotments for farms which will not be in com-*
22 *pliance with the requirements of the program. Each farm*
23 *shall receive a wheat marketing allocation for such marketing*
24 *year equal to the number of bushels obtained by multiplying*
25 *the number of acres in the farm acreage allotment for wheat*

1 by the projected farm yield, and multiplying the resulting
2 number of bushels by the national allocation percentage.”

3 *SEC. 103. (a) Effective upon the enactment of this Act,*
4 *section 379d(b) is amended by striking out the third sen-*
5 *tence and substituting the following: “The Secretary may*
6 *exempt from the requirements of this subsection wheat ex-*
7 *ported for donation abroad and other noncommercial exports*
8 *of wheat, wheat processed for use on the farm where grown,*
9 *wheat produced by a State or agency thereof and processed*
10 *for use by the State or agency thereof, wheat processed for*
11 *donation, and wheat processed for uses determined by the*
12 *Secretary to be noncommercial. Such exemptions may be*
13 *made applicable with respect to any wheat processed or*
14 *exported beginning July 1, 1964. There shall be exempt*
15 *from the requirements of this subsection beverage distilled*
16 *from wheat prior to July 1, 1964. A beverage distilled from*
17 *wheat after July 1, 1964, shall be deemed to be removed*
18 *for sale or consumption at the time it is placed in barrels for*
19 *aging, except that upon the giving of a bond as prescribed by*
20 *the Secretary, the purchase of and payment for such market-*
21 *ing certificates as may be required may be deferred until such*
22 *beverage is bottled for sale. Wheat shipped to a Canadian*
23 *port for storage in bond, or storage under a similar arrange-*
24 *ment, and subsequent exportation, shall be deemed to have*

1 *been exported for purposes of this subsection when it is*
2 *exported from the Canadian port.”*

3 *(b) Section 379d(b) is amended by adding at the end*
4 *thereof the following: “Whenever the face value per bushel*
5 *of domestic marketing certificates for a marketing year is*
6 *different from the face value of domestic marketing certifi-*
7 *cates for the preceding marketing year, the Secretary may*
8 *require marketing certificates issued for the preceding mar-*
9 *keting year to be acquired to cover all wheat processed into*
10 *food products during such preceding marketing year even*
11 *though the food product may be marketed or removed for*
12 *sale or consumption after the end of the marketing year.”*

13 *(c) Section 379g is amended by inserting “(a)” after*
14 *“SEC. 379g” and adding a new subsection (b) as follows:*

15 *“(b) Whenever the face value per bushel of domestic*
16 *marketing certificates for a marketing year is substantially*
17 *different from the face value of domestic marketing certifi-*
18 *cates for the preceding marketing year, the Secretary is*
19 *authorized to take such action as he determines necessary to*
20 *facilitate the transition between marketing years. Notwith-*
21 *standing any other provision of this subtitle, such authority*
22 *shall include, but shall not be limited to, the authority to sell*
23 *certificates to persons engaged in the processing of wheat*
24 *into food products covering such quantities of wheat, at such*
25 *prices, and under such terms and conditions as the Secretary*

1 *may by regulation provide. Any such certificate shall be*
2 *issued by Commodity Credit Corporation."*

3 *(d) Section 379d(d) is amended by inserting after the*
4 *word "flour" the following: "(excluding flour second clears*
5 *not used for human consumption as determined by the Sec-*
6 *retary)".*

7 *This subsection shall be effective as to food products*
8 *sold, or removed for sale or consumption on or after sixty*
9 *days following enactment of this Act, unless the Secretary*
10 *shall by regulation designate an earlier effective date within*
11 *such sixty-day period.*

12 *(e) Section 379e of such Act is amended by adding at*
13 *the end thereof the following: "Notwithstanding any other*
14 *provision of this Act, Commodity Credit Corporation shall*
15 *sell marketing certificates for the marketing years for the*
16 *1966 through the 1969 wheat crops to persons engaged in*
17 *the processing of food products at the face value thereof less*
18 *any amount by which price support for wheat accompanied*
19 *by domestic marketing certificates exceeds \$2 per bushel;*
20 *except that if the Secretary determines that the average price*
21 *of bread in the United States has increased following enact-*
22 *ment of the Food and Agriculture Act of 1965 and prior to*
23 *the beginning of such marketing year, the Secretary may in-*
24 *crease such price to an amount not exceeding the face value*
25 *of such certificates. The exception contained in the preced-*

1 *ing sentence shall not be applicable to the marketing year*
 2 *for the 1966 crop.”*

3 *SEC. 104. Effective only with respect to the 1966 through*
 4 *1969 crops, section 107 of the Agricultural Act of 1949, as*
 5 *amended (7 U.S.C. 1445a), is amended to read as follows:*

6 *“SEC. 107. Notwithstanding the provisions of section*
 7 *101 of this Act, for any marketing year—*

8 *“(1)(a) price support for wheat accompanied by*
 9 *domestic certificates shall be at 100 per centum of the*
 10 *parity price or as near thereto as the Secretary deter-*
 11 *mines practicable, but in no event less than \$2.50 per*
 12 *bushel, (b) price support for wheat not accompanied*
 13 *by marketing certificates shall be at such level, not in*
 14 *excess of the parity price therefor, as the Secretary*
 15 *determines appropriate taking into consideration com-*
 16 *petitive world prices of wheat, the feeding value of*
 17 *wheat in relation to feed grains, and the level at which*
 18 *price support is made available for feed grains,*

19 *“(2) The level of price support pursuant to para-*
 20 *graph(1)(a) multiplied by the number of bushels for*
 21 *which domestic marketing certificates are issued to pro-*
 22 *ducers, plus the level of price support pursuant to para-*
 23 *graph (1)(b) multiplied by the number of bushels of*
 24 *wheat for which domestic marketing certificates are not*
 25 *issued, plus diversion payments for diverting acreage*

1 under subsection (a) of section 339, plus the proceeds
2 from export marketing certificates shall, when averaged
3 over the projected yield of the national acreage allot-
4 ment, be not less than \$1.90 per bushel,

5 “(3) price support shall be made available only to
6 cooperators; and if a commercial wheat-producing area
7 is established for such crop, price support shall be made
8 available under paragraph (1) only in the commercial
9 wheat-producing area, and

10 “(4) a ‘cooperator’ with respect to any crop of
11 wheat produced on a farm shall be a producer who (i)
12 does not knowingly exceed (A) the farm acreage allot-
13 ment for wheat on the farm or (B) except as the Sec-
14 retary may by regulation prescribe, the farm acreage
15 allotment for wheat on any other farm on which the
16 producer shares in the production of wheat, and (ii)
17 complies with the land-use requirements of section 339
18 of the Agricultural Adjustment Act of 1938, as
19 amended, to the extent prescribed by the Secretary.
20 For purposes of this section, a producer shall be deemed
21 not to have exceeded the farm acreage allotment for
22 wheat if the acreage in excess of the farm acreage
23 allotment does not exceed 50 per centum of the farm
24 acreage allotment and the amount of wheat produced on
25 the acreage in excess of the farm acreage allotment is

1 *stored in accordance with regulations issued by the*
2 *Secretary. The amount of wheat required to be stored*
3 *hereunder shall be an amount equal to twice the projected*
4 *farm yield multiplied by the number of acres of such*
5 *crop of wheat on the farm in excess of the farm acreage*
6 *allotment for such crop unless the producer, in accord-*
7 *ance with regulations prescribed by the Secretary and*
8 *within the time prescribed therein, establishes to the*
9 *satisfaction of the Secretary the actual production of*
10 *such crop of wheat on the farm. If such actual pro-*
11 *duction is so established, the amount of wheat required*
12 *to be stored shall be such actual production less the*
13 *actual production of the farm wheat acreage allotment*
14 *based upon the average yield per acre for the entire*
15 *wheat acreage on the farm; Provided however, That*
16 *the amount of wheat required to be stored shall not be*
17 *larger than the amount by which the actual production*
18 *so established exceeds the projected farm yield multiplied*
19 *by the farm wheat acreage allotment. At the time and*
20 *to the extent of any depletion in the amount of wheat so*
21 *stored, except depletion resulting from the release of*
22 *wheat from storage on account of underplanting or*
23 *underproduction, as provided below or depletion result-*
24 *ing from some cause beyond the control of the producer,*
25 *the producer shall pay an amount to the Secretary equal*

1 to one and one-half times the wheat price support pay-
2 ments made with respect to the farm for the year in
3 which the wheat on the acreage in excess of the allotment
4 was produced. Whenever the planted acreage of the
5 then current crop of wheat on the farm is less than the
6 farm acreage allotment, the total amount of wheat from
7 any previous crops stored hereunder shall be reduced by
8 that amount which is equal to the projected farm yield
9 multiplied by the number of acres by which the farm
10 acreage allotment exceeds the planted acreage, and when-
11 ever the actual production of the acreage of wheat is
12 less than the projected farm yield multiplied by the farm
13 acreage allotment, the total amount of wheat from any
14 previous crops stored hereunder shall be reduced by that
15 amount which together with the actual production of the
16 then current crop will equal the projected farm yield
17 multiplied by the farm acreage allotment. The pro-
18 ducer shall not be eligible to receive price support on the
19 wheat so stored.

20 “(5) In any case in which the provisions of this Act
21 prohibit the making of wheat price support loans or pay-
22 ments for failure of a producer to comply fully with the
23 terms and conditions of the programs formulated under
24 this Act, the Secretary may, nevertheless, make such

1 loans and payments in such amounts as he determines to
2 be equitable in relation to the gravity of the violation.

3 SEC. 105. The Agricultural Act of 1964 is amended as
4 follows:

5 (1) Amendment (7) of section 202 is amended by
6 striking out "1964 and 1965" and substituting "the calendar
7 years 1964 through 1969".

8 (2) Amendment (13) of section 202 is amended by
9 striking out "only with respect to the crop planted for harvest
10 in the calendar year 1965" and substituting "with respect
11 to the crops planted for harvest in the calendar years 1965
12 through 1969".

13 (3) Section 204 is amended by striking out "1964 and
14 1965" and substituting "1964 through 1969"; and by strik-
15 ing out "not accompanied by marketing certificates" and sub-
16 stituting "under section 107(1) of the Agricultural Act of
17 1949".

18 SEC. 106. Effective beginning with the crop planted for
19 harvest in the calendar year 1967, section 339(a)(1) of the
20 Agricultural Adjustment Act of 1938, as amended, is
21 amended by inserting after the words "national acreage
22 allotment", wherever they appear, the following: "(less
23 an acreage equal to the increased acreage allotted for 1965
24 pursuant to section 335)".

1 *SEC. 107. Section 301(b) of the Agricultural Adjust-*
2 *ment Act of 1938, as amended, is amended as follows:*

3 *(1) Paragraph (8) is amended by inserting “(A)”*
4 *after “(8)” and adding the following new subparagraph:*

5 *“(B) ‘Projected national yield’ as applied to any*
6 *crop of wheat shall be determined on the basis of the*
7 *national yield per harvested acre of the commodity dur-*
8 *ing each of the five calendar years immediately preced-*
9 *ing the year in which such projected national yield is*
10 *determined, adjusted for abnormal weather conditions*
11 *affecting such yield, for trends in yields and for any*
12 *significant changes in production practices.”*

13 *(2) Paragraph (13) is amended by adding the following*
14 *new subparagraphs:*

15 *“(J) ‘Projected county yield’ for any crop of wheat shall*
16 *be determined on the basis of the yield per harvested acre*
17 *of such commodity in the county during each of the five*
18 *calendar years immediately preceding the year in which such*
19 *projected county yield is determined, adjusted for abnormal*
20 *weather conditions affecting such yield, for trends in yields*
21 *and for any significant changes in production practices.*

22 *“(K) ‘Projected farm yield’ for any crop of wheat*
23 *shall be determined on the basis of the yield per harvested*
24 *acre of such commodity on the farm during each of the*

1 *three calendar years immediately preceding the year in*
2 *which such projected farm yield is determined, adjusted*
3 *for abnormal weather conditions affecting such yield, for*
4 *trends in yields and for any significant changes in produc-*
5 *tion practices.”*

6 *SEC. 108. Section 379i of the Agricultural Adjustment*
7 *Act of 1938, as amended, is amended, effective as of the*
8 *effective date of the original enactment of that section, by*
9 *inserting in subsections (a) and (b) after the word “who”,*
10 *wherever it appears, the word “knowingly”.*

11 *SEC. 109. (a) Effective beginning with the crop planted*
12 *for harvest in 1966, paragraph (9) of section 301(b) of*
13 *the Agricultural Adjustment Act of 1938, as amended, is*
14 *amended to read as follows:*

15 *“(9) ‘Normal production’ as applied to any number of*
16 *acres of rice or cotton means the normal yield for the farm*
17 *times such number of acres and for wheat means the pro-*
18 *jected farm yield times such number of acres.”*

19 *(b) Public Law 74, Seventy-seventh Congress, as*
20 *amended, is amended by changing the words “normal yield*
21 *of wheat per acre established for the farm” in paragraph*
22 *(1) to the words “projected farm yield”.*

23 *SEC. 110. If the national, State, and county allotments*
24 *have already been established for the 1966 crop of wheat*
25 *before this Act becomes effective, the national, State, county,*

1 and farm acreage allotments for such crop of wheat shall be
2 established in accordance with the provisions of law in effect
3 prior to the enactment of this Act.

4 SEC. 111. (a) Section 379d(b) of the Agricultural
5 Adjustment Act of 1938 is amended by striking out the second
6 sentence and substituting the following: "The cost of the
7 export marketing certificates per bushel to the exporter
8 shall be that amount determined by the Secretary on a daily
9 basis which would make United States wheat and wheat
10 flour generally competitive in the world market, avoid dis-
11 ruption of world market prices, and fulfill the international
12 obligations of the United States."

13 (b) Section 379c(a) of such Act is amended by striking
14 out everything in the next to the last sentence beginning with
15 the words "United States" and substituting the following:
16 "United States. The Secretary shall also provide for the
17 issuance of export marketing certificates to eligible producers
18 at the end of the marketing year on a pro rata basis. For
19 such purposes, the value per bushel of export marketing cer-
20 tificates shall be an average of the total net proceeds from
21 the sale of export marketing certificates during the marketing
22 year after deducting the total amount of wheat export sub-
23 sidies paid to exporters."

24 (c) Section 379c(c) of such Act is amended by striking
25 out "and the face value per bushel of export certificates shall

1 *be the amount by which the level of price support for wheat*
2 *accompanied by export certificates exceeds the level of price*
3 *support for noncertificate wheat''.*

4 *TITLE II—FEED GRAINS*

5 *SUBTITLE A—PROGRAM FOR 1966 THROUGH*

6 *1969 CROPS*

7 *SEC. 201. Section 105 of the Agricultural Act of 1949,*
8 *as amended, is amended by adding the following new sub-*
9 *section (e):*

10 *“(e) For the 1966 through 1969 crops of feed grains,*
11 *the Secretary shall require as a condition of eligibility for*
12 *price support on the crop of any feed grain which is included*
13 *in any acreage diversion program formulated under section*
14 *16(i) of the Soil Conservation and Domestic Allotment Act,*
15 *as amended, that the producer shall participate in the diver-*
16 *sion program to the extent prescribed by the Secretary, and,*
17 *if no diversion program is in effect for any crop, he may*
18 *require as a condition of eligibility for price support on such*
19 *crop of feed grains that the producer shall not exceed his*
20 *feed grain base: Provided, That the acreage on any farm*
21 *which is diverted from the production of feed grains pur-*
22 *suant to a contract hereafter entered into under the Soil*
23 *Bank Act shall be deemed to be acreage diverted from the*
24 *production of feed grains for purposes of meeting the fore-*
25 *going requirements for eligibility for price support: Provided*

1 further, That the Secretary may provide that no producer
2 of malting barley shall be required as a condition of eligibil-
3 ity for price support for barley to participate in the acreage
4 diversion program for feed grains if such producer has pre-
5 viously produced a malting variety of barley, plants barley
6 only of an acceptable malting variety for harvest, does not
7 knowingly devote an acreage on the farm to barley in excess
8 of 110 per centum of the average acreage devoted on the
9 farm to barley in 1959 and 1960, does not knowingly devote
10 an acreage on the farm to corn and grain sorghums in excess
11 of the acreage devoted on the farm to corn and grain sor-
12 ghums in 1959 and 1960, and does not devote any acreage
13 devoted to the production of oats and rye in 1959 and 1960
14 to the production of wheat pursuant to the provisions of
15 section 328 of the Food and Agriculture Act of 1962.
16 Such portion of the support price for any feed grain in-
17 cluded in the acreage diversion program as the Secretary
18 determines desirable to assure that the benefits of the price-
19 support and diversion programs inure primarily to those
20 producers who cooperate in reducing their acreages of feed
21 grains shall be made available to producers through payments-
22 in-kind. Such payments-in-kind shall be made available on
23 the maximum permitted acreage, or the Secretary may make
24 the same total amount available on a smaller acreage or
25 acreages at a higher rate or rates. The number of bushels of

1 such feed grain on which such payments-in-kind shall be made
2 shall be determined by multiplying that part of the actual
3 acreage of such feed grain planted on the farm for harvest
4 on which the Secretary makes such payments available by
5 the farm projected yield per acre: Provided, That for pur-
6 poses of such payments, the Secretary may permit pro-
7 ducers of feed grains to have acreage devoted to soybeans
8 considered as devoted to the production of feed grains to
9 such extent and subject to such terms and conditions as the
10 Secretary determines will not impair the effective operation
11 of the price-support program: Provided further, That for
12 purposes of such payments, producers on any farm who have
13 planted not less than 90 per centum of the acreage of feed
14 grains permitted to be planted shall be deemed to have planted
15 the entire acreage permitted. Notwithstanding the pro-
16 visions of subsection (a), that portion of the support price
17 which is made available through loans and purchases
18 for the 1966 through 1969 crops may be reduced below the
19 loan level for the 1965 crop by such amounts and in such
20 stages as may be necessary to promote increased participation
21 in the feed grain program, taking into account increases in
22 yields, but so as not to disrupt the feed grain and livestock
23 economy: Provided, That this authority shall not be con-
24 strued to modify or affect the Secretary's discretion to main-
25 tain or increase total price support levels to cooperators.

1 *An acreage on the farm which the Secretary finds was not*
2 *planted to feed grains because of drought, flood, or other*
3 *natural disaster shall be deemed to be an actual acreage of*
4 *feed grains planted for harvest for purposes of such pay-*
5 *ments. The Secretary may make not to exceed 50 per centum*
6 *of any payments hereunder to producers in advance of deter-*
7 *mination of performance. Payments-in-kind shall be made*
8 *through the issuance of negotiable certificates which the Com-*
9 *modity Credit Corporation shall redeem for feed grains (such*
10 *feed grains to be valued by the Secretary at not less than*
11 *the current support price made available through loans and*
12 *purchases, plus reasonable carrying charges) in accordance*
13 *with regulations prescribed by the Secretary and, notwith-*
14 *standing any other provision of law, the Commodity Credit*
15 *Corporation shall, in accordance with regulations prescribed*
16 *by the Secretary, assist the producer in the marketing of*
17 *such certificates. The Secretary shall provide for the shar-*
18 *ing of such certificates among producers on the farm on a*
19 *fair and equitable basis. If the operator of the farm elects*
20 *to participate in the acreage diversion program, price sup-*
21 *port for feed grains included in the program shall be made*
22 *available to the producers on such farm only if such pro-*
23 *ducers divert from the production of such feed grains, in*
24 *accordance with the provisions of such program, an acreage*

1 on the farm equal to the number of acres which such
2 operator agrees to divert, and the agreement shall so provide.
3 Notwithstanding any other provision of law, payments in
4 kind under this subsection (e) and subsection (d) of this
5 section may be adjusted by the Secretary for failure of a
6 producer to comply fully with the terms and conditions of
7 the programs formulated under such subsections and section
8 16 of the Soil Conservation and Domestic Allotment Act,
9 as amended.”

10 SEC. 202. Section 16 of the Soil Conservation and Do-
11 mestic Allotment Act, as amended, is amended by adding
12 the following new subsection:

13 “(i) Notwithstanding any other provision of law—

14 “(1) For the 1966 through 1969 crops of feed
15 grains, if the Secretary determines that the total supply
16 of feed grains will, in the absence of an acreage diver-
17 sion program, likely be excessive, taking into account
18 the need for an adequate carryover to maintain reason-
19 able and stable supplies and prices of feed grains and to
20 meet any national emergency, he may formulate and
21 carry out an acreage diversion program for feed grains,
22 without regard to provisions which would be applicable
23 to the regular agricultural conservation program, under
24 which, subject to such terms and conditions as the
25 Secretary determines, conservation payments shall be

1 *made to producers who divert acreage from the pro-*
2 *duction of feed grains to an approved conservation use*
3 *and increase their average acreage of cropland devoted*
4 *in 1959 and 1960 to designated soil-conserving crops*
5 *or practices including summer fallow and idle land by*
6 *an equal amount. Payments shall be made at such rate*
7 *or rates as the Secretary determines will provide pro-*
8 *ducers with a fair and reasonable return for the acreage*
9 *diverted but not in excess of 50 per centum of the esti-*
10 *mated basic county support rate, including the lowest rate*
11 *of payment-in-kind, on the normal production of the acre-*
12 *age diverted from the commodity on the farm based on*
13 *the farm projected yield per acre. Notwithstanding*
14 *the foregoing provisions, the Secretary may permit all*
15 *or any part of such diverted acreage to be devoted to*
16 *the production of guar, sesame, safflower, sunflower,*
17 *castor beans, mustard seed, crambe, and flax, if he*
18 *determines that such production of the commodity is*
19 *needed to provide an adequate supply, is not likely to*
20 *increase the cost of the price support program and will*
21 *not adversely affect farm income subject to the condi-*
22 *tion that payment with respect to diverted acreage de-*
23 *voted to any such crop shall be at a rate determined by*
24 *the Secretary to be fair and reasonable, taking into con-*

1 sideration the use of such acreage for the production of
2 such crops, but in no event shall the payment exceed
3 one-half the rate which otherwise would be applicable if
4 such acreage were devoted to conservation uses. The
5 term 'feed grains' means corn, grain sorghums, and, if
6 designated by the Secretary, barley, and if for any crop
7 the producer so requests for purposes of having acreage
8 devoted to the production of wheat considered as devoted
9 to the production of feed grains, pursuant to the pro-
10 visions of section 328 of the Food and Agriculture Act
11 of 1962, the term 'feed grains' shall include oats and rye:
12 Provided, That acreages of corn, grain sorghums, and,
13 if designated by the Secretary, barley, shall not be
14 planted in lieu of acreages of oats and rye: Provided
15 further, That the acreage devoted to the production of
16 wheat shall not be considered as an acreage of feed
17 grains for purposes of establishing the feed grain base
18 acreage for the farm for subsequent crops. Such feed
19 grain diversion program shall require the producer to
20 take such measures as the Secretary may deem appro-
21 priate to keep such diverted acreage free from erosion,
22 insects, weeds, and rodents. The acreage eligible for
23 participation in the program shall be such acreage (not
24 to exceed 50 per centum of the average acreage on the
25 farm devoted to feed grains in the crop years 1959 and

1 1960 or twenty-five acres, whichever is greater) as the
2 Secretary determines necessary to achieve the acreage
3 reduction goal for the crop. Payments shall be made
4 in kind. The acreage of wheat produced on the farm
5 during the crop years 1959, 1960, and 1961, pursuant
6 to the exemption provided in section 335(f) of the Agri-
7 cultural Adjustment Act of 1938, as amended, prior to
8 its repeal by the Food and Agriculture Act of 1962, in
9 excess of the small farm base acreage for wheat estab-
10 lished under section 335 of the Agricultural Adjustment
11 Act of 1938, as amended, may be taken into consider-
12 ation in establishing the feed grain base acreage for the
13 farm. The Secretary may make such adjustments in
14 acreage as he determines necessary to correct for ab-
15 normal factors affecting production, and to give due
16 consideration to tillable acreage, crop-rotation practices,
17 types of soil, soil and water conservation measures, and
18 topography. Notwithstanding any other provision of
19 this subsection (i)(1), the Secretary may, upon unani-
20 mous request of the State committee established pursuant
21 to section 8(b) of the Soil Conservation and Domestic
22 Allotment Act, as amended, adjust the feed grain bases
23 for farms within any State or county to the extent he
24 determines such adjustment to be necessary in order to
25 establish fair and equitable feed grain bases for farms

1 *within such State or county. The Secretary may make*
2 *not to exceed 50 per centum of any payments to pro-*
3 *ducers in advance of determination of performance.*
4 *Notwithstanding any other provision of this subsection,*
5 *barley shall not be included in the program for a pro-*
6 *ducer of malting barley exempted pursuant to section*
7 *105(e) of the Agricultural Act of 1949, who partici-*
8 *pates only with respect to corn and grain sorghums*
9 *and does not knowingly devote an acreage on the farm*
10 *to barley in excess of 110 per centum of the average*
11 *acreage devoted on the farm to barley in 1959 and*
12 *1960.*

13 *“(2) Notwithstanding any other provision of this*
14 *subsection, not to exceed 1 per centum of the estimated*
15 *total feed grain bases for all farms in a State for any*
16 *year may be reserved from the feed grain bases estab-*
17 *lished for farms in the State for apportionment to farms*
18 *on which there were no acreages devoted to feed grains*
19 *in the crop years 1959 and 1960 on the basis of the*
20 *following factors: Suitability of the land for the pro-*
21 *duction of feed grains, the past experience of the farm*
22 *operator in the production of feed grains, the extent to*
23 *which the farm operator is dependent on income from*
24 *farming for his livelihood, the production of feed grains*
25 *on other farms owned, operated, or controlled by the*

1 *farm operator, and such other factors as the Secretary*
2 *determines should be considered for the purpose of estab-*
3 *lishing fair and equitable feed grain bases. An acreage*
4 *equal to the feed grain base so established for each farm*
5 *shall be deemed to have been devoted to feed grains on*
6 *the farm in each of the crop years 1959 and 1960 for*
7 *purposes of this subsection except that producers on such*
8 *farm shall not be eligible for conservation payments for*
9 *the first year for which the feed grain base is established.*

10 “(3) *There are hereby authorized to be appropri-*
11 *ated such amounts as may be necessary to enable the*
12 *Secretary to carry out this section 16(i).*

13 “(4) *The Secretary shall provide by regulations for*
14 *the sharing of payments under this subsection among*
15 *producers on the farm on a fair and equitable basis and*
16 *in keeping with existing contracts.*

17 “(5) *Payments in kind shall be made through the*
18 *issuance of negotiable certificates which the Commodity*
19 *Credit Corporation shall redeem for feed grains in ac-*
20 *cordance with regulations prescribed by the Secretary*
21 *and, notwithstanding any other provision of law, the*
22 *Commodity Credit Corporation shall, in accordance with*
23 *regulations prescribed by the Secretary, assist the pro-*
24 *ducer in the marketing of such certificates. Feed grains*

1 with which Commodity Credit Corporation redeems cer-
2 tificates pursuant to this paragraph shall be valued at not
3 less than the current support price made available
4 through loans and purchases, plus reasonable carrying
5 charges.

6 “(6) Notwithstanding any other provision of law,
7 the Secretary may, by mutual agreement with the pro-
8 ducer, terminate or modify any agreement previously
9 entered into pursuant to this subsection if he determines
10 such action necessary because of an emergency created
11 by drought or other disaster, or in order to prevent or
12 alleviate a shortage in the supply of feed grains.”

13 SEC. 203. Section 326 of the Food and Agriculture Act
14 of 1962, as amended, is amended by deleting the language
15 beginning with “the requirements” and ending with “Agri-
16 cultural Act of 1961, and” and substituting therefor “the
17 requirements of any program under which price support is
18 extended or payments are made to farmers, and price sup-
19 port may be extended or”.

20 SUBTITLE B—ALTERNATIVE FEED GRAIN PROGRAM

21 SEC. 204. For any of the 1966 through 1969 crops of
22 feed grains, the Secretary may, in lieu of the program author-
23 ized under the provisions of Subtitle A hereof, carry out a
24 feed grain program in accordance with the provisions of this
25 Subtitle B. For purposes of any program under this Sub-

1 title B, the following provisions of law shall be deemed to be
2 amended as herein provided.

3 (1) Section 105 of the Agricultural Act of 1949, as
4 amended, is amended (i) by striking out "not less than 65
5 per centum" from subsection (a) and substituting "not less
6 than 60 per centum", and (ii) by amending subsection (e) to
7 read as follows:

8 "(e) For the 1966 through 1969 crops of feed grains,
9 the Secretary shall require, as a condition of eligibility for
10 price support on the crop of any feed grain which is included
11 in any acreage diversion program formulated under section
12 16(i) of the Soil Conservation and Domestic Allotment Act,
13 as amended, that the producer shall participate in the diver-
14 sion program to the extent prescribed by the Secretary, and,
15 if no diversion program is in effect for any crop, he may
16 require as a condition of eligibility for price support on such
17 crop of feed grains that the producer shall not exceed his
18 feed grain base: Provided, That the acreage on any farm
19 which is diverted from the production of feed grains pur-
20 suant to a contract hereafter entered into under the Soil
21 Bank Act shall be deemed to be acreage diverted from the
22 production of feed grains for purposes of meeting the fore-
23 going requirements for eligibility for price support: Provided
24 further, That the Secretary may provide that no producer
25 of malting barley shall be required as a condition of

1 eligibility for price support for barley to participate
2 in the acreage diversion program for feed grains if such
3 producer has previously produced a malting variety of
4 barley, plants barley only of an acceptable malting variety
5 for harvest, does not knowingly devote an acreage on the
6 farm to barley in excess of 110 per centum of the average
7 acreage devoted on the farm to barley in 1959 and 1960,
8 does not knowingly devote an acreage on the farm to corn
9 and grain sorghums in excess of the acreage devoted on the
10 farm to corn and grain sorghums in 1959 and 1960, and
11 does not devote any acreage devoted to the production of oats
12 and rye in 1959 and 1960 to the production of wheat pur-
13 suant to the provisions of section 328 of the Food and Agri-
14 culture Act of 1962. A payment of not to exceed 25 cents
15 per bushel may be made available on an acreage on a farm
16 participating in the program which the Secretary finds was
17 not planted to feed gains because of drought, flood, or other
18 natural disaster. If the operator of the farm elects to par-
19 ticipate in the acreage diversion program, price support for
20 feed grains included in the program shall be made avail-
21 able to the producers on such farm only if such producers
22 divert from the production of such feed grains, in accordance
23 with the provisions of such program, an acreage on the farm
24 equal to the number of acres which such operator agrees to
25 divert, and the agreement shall so provide.

1 (2) Paragraph (1) of section 16(i) of the Soil Con-
2 servation and Domestic Allotment Act, as amended, is
3 amended to read as follows:

4 “(1) For the 1966 through 1969 crops of feed
5 grains, if the Secretary determines that the total supply
6 of feed grains will, in the absence of an acreage diversion
7 program, likely be excessive, taking into account the need
8 for an adequate carryover to maintain reasonable and
9 stable supplies and prices of feed grains and to meet any
10 national emergency, he may formulate and carry out
11 an acreage diversion program for feed grains, without
12 regard to provisions which would be applicable to the
13 regular agricultural conservation program, under which,
14 subject to such terms and conditions as the Secretary
15 determines, conservation payments shall be made to pro-
16 ducers who divert acreage from the production of feed
17 grains to an approved conservation use and increase
18 their average acreage of cropland devoted in 1959 and
19 1960 to designated soil-conserving crops or practices
20 including summer fallow and idle land by an equal
21 amount. Payments shall be made at such rate or rates
22 as the Secretary determines will provide producers with
23 a fair and reasonable return for the acreage diverted,
24 not less than 50 per centum of the estimated basic county

1 support rate, on the normal production of the acreage
2 diverted from the commodity on the farm based on the
3 farm projected yield per acre: Provided, That pay-
4 ments may be made at a rate not less than 70 per centum
5 of the estimated basic county support rate on the normal
6 production of the acreage diverted from the commodity
7 on the farm based on the farm projected yield per acre
8 if the producer agrees to and diverts for a period of five
9 years not less than 40 per centum of the average acreage
10 on the farm devoted to feed grains in the crop years 1959
11 and 1960. Notwithstanding the foregoing provisions,
12 the Secretary may permit all or any part of such diverted
13 acreage to be devoted to the production of guar, sesame,
14 safflower, sunflower, castor beans, mustard seed, crambe,
15 and flax, if he determines that such production of the
16 commodity is needed to provide an adequate supply, is
17 not likely to increase the cost of the price support pro-
18 gram, and will not adversely affect farm income subject to
19 the condition that payment with respect to diverted acre-
20 age devoted to any such crop shall be at a rate determined
21 by the Secretary to be fair and reasonable, taking into
22 consideration the use of such acreage for the production of
23 such crops, but in no event shall the payment exceed
24 one-half the rate which otherwise would be applicable if
25 such acreage were devoted to conservation uses. The

1 term 'feed grains' means corn, grain sorghums, and, if
2 designated by the Secretary, barley and if for any crop
3 the producer so requests for purposes of having acreage
4 devoted to the production of wheat considered as devoted
5 to the production of feed grains, pursuant to the provi-
6 sions of section 328 of the Food and Agriculture Act
7 of 1962, the term 'feed grains' shall include oats and
8 rye: Provided, That acreages of corn, grain sorghums,
9 and, if designated by the Secretary, barley, shall not be
10 planted in lieu of acreages of oats and rye: Provided
11 further, That the acreage devoted to the production of
12 wheat shall not be considered as an acreage of feed grains
13 for purposes of establishing the feed grain base acreage
14 for the farm for subsequent crops. Such feed grain
15 diversion program shall require the producer to take
16 such measures as the Secretary may deem appropriate
17 to keep such diverted acreage free from erosion, in-
18 sects, weeds, and rodents. The acreage eligible for par-
19 ticipation in the program shall be such acreage (not to
20 exceed 50 per centum of the average acreage on the
21 farm devoted to feed grains in the crop years 1959 and
22 1960 or twenty-five acres, whichever is greater) as the
23 Secretary determines necessary to achieve the reduction
24 in production goal for the crop. Payments shall be
25 made in kind. The acreage of wheat produced on the

1 *farm during the crop years 1959, 1960, and 1961,*
2 *pursuant to the exemption provided in section 335(f)*
3 *of the Agricultural Adjustment Act of 1938, as amended,*
4 *prior to its repeal by the Food and Agriculture Act of*
5 *1962, in excess of the small farm base acreage for wheat*
6 *established under section 335 of the Agricultural Adjust-*
7 *ment Act of 1938, as amended, may be taken into con-*
8 *sideration in establishing the feed grain base acreage*
9 *for the farm. The Secretary may make such adjust-*
10 *ments in acreage as he determines necessary to correct*
11 *for abnormal factors affecting production, and to give*
12 *due consideration to tillable acreage, crop-rotation prac-*
13 *tices, types of soil, soil and water conservation measures,*
14 *and topography. Notwithstanding any other provision*
15 *of this subsection (i)(1), the Secretary may, upon*
16 *unanimous request of the State committee established*
17 *pursuant to section 8(b) of the Soil Conservation and*
18 *Domestic Allotment Act, as amended, adjust the feed*
19 *grain bases for farms within any State or county to the*
20 *extent he determines such adjustment to be necessary in*
21 *order to establish fair and equitable feed grain bases for*
22 *farms within such State or county. The Secretary may*
23 *make not to exceed 50 per centum of any payments to*
24 *producers in advance of determination of performance:*
25 *Provided, That in no event shall the Secretary make*

1 *payments to any producers under this section in any year*
 2 *in excess of 20 per centum of the fair market value of any*
 3 *acreage involved. Notwithstanding any other provision*
 4 *of this subsection, barley shall not be included in the pro-*
 5 *gram for a producer of malting barley exempted pursu-*
 6 *ant to section 105(e) of the Agricultural Act of 1949,*
 7 *who participates only with respect to corn and grain*
 8 *sorghums and does not knowingly devote an acreage on*
 9 *the farm to barley in excess of 110 per centum of the*
 10 *average acreage devoted on the farm to barley in 1959*
 11 *and 1960."*

12 *(3) Section 16(i) of the Soil Conservation and Do-*
 13 *mestic Allotment Act, as amended, is amended by adding the*
 14 *following new paragraph:*

15 *"(7) The program shall be formulated and administered*
 16 *in such manner as will limit the amount of reduction of pro-*
 17 *duction in a county or local community to prevent the pro-*
 18 *gram from adversely affecting the economy of the county or*
 19 *community."*

20 *TITLE III—RICE*

21 *SEC. 301. Section 353(c) of the Agricultural Adjust-*
 22 *ment Act of 1938, as amended, is amended by adding the*
 23 *following new paragraph at the end thereof:*

24 *"(7) If the national acreage allotment for rice*
 25 *for 1966, 1967, 1968, or 1969 is less than the na-*

1 *tional acreage allotment for rice for 1965, the Secre-*
2 *tary shall formulate and carry out an acreage diversion*
3 *program for rice for such year designed to support the*
4 *gross income of rice producers at a level not lower than*
5 *that for 1965, minus any reduction in production costs*
6 *resulting from the reduced rice acreage. Under such*
7 *program conservation payments shall be made to pro-*
8 *ducers who comply with their rice acreage allotments,*
9 *devote to an approved conservation use an acreage of*
10 *cropland on the farm equal to the number of acres de-*
11 *termined by multiplying the farm acreage allotment by*
12 *the diversion factor, and comply with such additional*
13 *terms and conditions as the Secretary may prescribe.*
14 *The diversion factor shall be determined by dividing the*
15 *number of acres by which the national acreage allotment*
16 *is reduced below the national acreage allotment for 1965*
17 *by the number of acres in the national acreage allot-*
18 *ment. Notwithstanding the foregoing provisions, the*
19 *Secretary may permit all or any part of such diverted*
20 *acreage to be devoted to the production of guar, sesame,*
21 *safflower, sunflower, castor beans, mustard seed, crambe,*
22 *and flax, if he determines that such production is not*
23 *likely to increase the cost of the price-support program*
24 *and will not adversely affect farm income, subject to the*
25 *condition that payment with respect to diverted acreage*

devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops; but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. Such program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. The Secretary shall provide for the sharing of payments under this paragraph among producers on the farm on the basis of their respective shares in the rice crop produced on the farm, or the proceeds therefrom. The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this section and to pay administrative expenses necessary in carrying out this paragraph."

SEC. 302. Section 403 of the Agricultural Act of 1949, as amended, is amended by inserting at the end thereof the following: "In determining support prices for the 1966 and 1967 crops of rice the Secretary shall, notwithstanding the foregoing or any other provision of law, use head and broken

1 rice value factors for the various varieties which (1) are
2 not lower than those used with respect to the 1965 crop, and
3 (2) do not differ as between any two varieties by a greater
4 amount than the value factors used with respect to the 1965
5 crop for such two varieties differed.”

6 TITLE IV—WOOL

7 SEC. 401. The National Wool Act of 1954, as amended,
8 is amended as follows:

9 (1) By deleting from section 703 “March 31, 1966”
10 and inserting in lieu thereof “December 31, 1969”.

11 (2) By changing the period at the end of the third sen-
12 tence of section 703 to a colon and inserting the following:
13 “Provided further, That the support price for shorn wool
14 for the 1966 marketing year shall be determined by adjusting
15 the support price for shorn wool for the 1965 marketing
16 year by multiplying such 1965 support price by the ratio
17 of (i) the average of the parity index (the index of prices
18 paid by farmers, including commodities and services, interest,
19 taxes, and farm wage rates, as defined in section 301(a)
20 (1)(C) of the Agricultural Adjustment Act of 1938, as
21 amended), for the three calendar years preceding the calen-
22 dar year of announcement of such support price to (ii) the
23 average parity index for the three calendar years 1958,
24 1959, and 1960, and rounded to the nearest full cent, and
25 that the support price for each subsequent marketing year

1 shall be determined by adjusting the support price for the
 2 1965 marketing year in the same manner as the support
 3 price for the 1966 marketing year was determined except
 4 that the three-calendar-year period used in (i) of the above
 5 ratio shall be advanced by one year for each subsequent
 6 marketing year: Provided further, That the Secretary shall
 7 make price support available to producers marketing not in
 8 excess of 1,000 pounds of wool in any marketing year at a
 9 level not more than five cents per pound higher than the level
 10 made available to producers marketing in excess of 1,000
 11 pounds in such marketing year."

12 (3) By deleting the fourth sentence of section 703.

13 TITLE V—CROPLAND ADJUSTMENT

14 SEC. 501. Section 107 of the Soil Bank Act, as amended
 15 is amended as follows:

16 (1) By changing the word "three" in the first sentence
 17 of subsection (a) to the word "five".

18 (2) By deleting the word "or" immediately preceding
 19 the word "other" in paragraph (1) of subsection (a) and
 20 inserting immediately after the word "uses" a comma and
 21 the words "or practices or uses which will establish, protect
 22 and conserve open spaces, natural beauty, wildlife and
 23 recreational resources and prevent air and water pollution
 24 (priority being given to the extent practicable to practices or

1 *uses which are most likely to result in permanent retirement*
 2 *to noncrop uses)''.*

3 *(3) By adding at the end of paragraph (1) of subsec-*
 4 *tion (a) the following: "The Secretary shall not require the*
 5 *producer, as a condition to placing such cropland as he may*
 6 *desire under the contract, to reduce his acreage of more than*
 7 *one commodity subject to acreage or marketing restrictions,*
 8 *or to reduce his acreage of that commodity, by more than 50*
 9 *per centum below the amount permitted by such restrictions."*

10 *(4) By amending paragraph (4) of subsection (a) to*
 11 *read as follows:*

12 *"(4) Not to graze any acreage established in pro-*
 13 *ductive vegetative cover prior to the expiration of the*
 14 *contract except pursuant to the provisions of section*
 15 *103(a)(3) hereof."*

16 *(5) By changing the word "all" to "such" in each*
 17 *of the two places it appears in paragraph (6)(A) of sub-*
 18 *section (a), changing the period at the end of such para-*
 19 *graph to a comma, and adding the following: "as the Secre-*
 20 *tary may determine to be appropriate."*

21 *(6) By adding at the end of paragraph (7) of sub-*
 22 *section (a), the following: "The Secretary shall not require*
 23 *a person who has operated the land to be covered by a con-*
 24 *tract under this section for as long as three years preceding*
 25 *the date of the contract and who controls the land for the*

1 contract period to own the land as a condition of eligibility
2 for entering into the contract.”

3 (7) By amending paragraph (1) of subsection (b)
4 to read as follows:

5 “(1) To bear such part of the average cost (in-
6 cluding labor) for the county or area in which the farm
7 is situated of establishing and maintaining vegetative
8 cover or other uses on the designated acreage as the
9 Secretary determines to be necessary to effectuate the
10 purposes of this title, but not to exceed a maximum
11 amount per acre or facility prescribed by the Secretary
12 for the county or area; and”.

13 (8) By adding a new sentence at the end of paragraph
14 (2) of subsection (b) to read as follows: The rate or rates
15 of annual adjustment payments as determined hereunder
16 may be increased by an amount determined by the Secretary
17 to be appropriate as a wildlife service payment based upon
18 the benefit of wildlife uses established on the land by pro-
19 ducers who permit access to such land by the public during
20 the contract period for hunting, trapping, fishing, and hiking
21 under applicable State and Federal regulations.”

22 (9) By striking the first sentence of subsection (d) and
23 substituting therefor the following: “A contract shall not
24 be terminated under paragraph (6) of subsection (a) un-
25 less the violation is one which the Secretary has prescribed

1 *by regulation to be of such nature as to defeat or substan-*
2 *tially impair the purposes of the contract."*

3 *(10) By adding a new subsection (e) at the end thereof*
4 *to read as follows:*

5 *"(e) The total acreage placed under contract in any*
6 *county or local community shall be limited to a percentage*
7 *of the total eligible acreage in such county or local com-*
8 *munity which the Secretary determines would not adversely*
9 *affect the economy of the county or local community. In*
10 *determining such percentage the Secretary shall give appro-*
11 *priate consideration to the productivity of the acreage being*
12 *retired as compared to the average productivity of eligible*
13 *acreage in the county or local community."*

14 *(11) By adding a new subsection (f) as follows:*

15 *"(f) The acreage on any farm which is diverted from*
16 *the production of any commodity pursuant to a contract*
17 *hereafter entered into under this subtitle shall be deemed to*
18 *be acreage diverted from that commodity for the purposes*
19 *of any commodity program under which diversion is required*
20 *as a condition of eligibility for price support."*

21 *SEC. 502. Section 109 of the Soil Bank Act, as amended,*
22 *is amended as follows:*

23 *(1) By adding at the end of subsection (a) the follow-*
24 *ing: "The Secretary is authorized to formulate and announce*

1 *programs under this subtitle B and to enter into contracts*
2 *thereunder with producers during the period 1966–1969 to*
3 *be carried out during the period ending not later than*
4 *December 31, 1978.”*

5 *(2) By inserting immediately after the word “cover”*
6 *in subsection (b) the following: “entered into during the*
7 *five-year period 1956–1960”.*

8 *(3) By amending subsection (c) to read as follows:*

9 *“(c) In carrying out the program authorized by this*
10 *subtitle B, the Secretary shall not during any fiscal year enter*
11 *into contracts with producers which would require payments*
12 *to producers, including the cost of materials and services, in*
13 *excess of \$225,000,000 in any calendar year.”*

14 *SEC. 503. Sections 111 and 114 of the Soil Bank Act,*
15 *as amended, are amended as follows:*

16 *(1) Section 111 is amended by deleting the words*
17 *“water storage facilities, or other soil-, water-, wildlife-, or*
18 *forest-conserving” in subsections (a) and (b) and substi-*
19 *tuting therefor the word “other”.*

20 *(2) Section 114 is amended by deleting the first two*
21 *words thereof and substituting therefor the words “Except*
22 *as the Secretary may by regulation prescribe, no person”.*

23 *SEC. 504. Section 118 of the Soil Bank Act, as amended,*

1 is amended by inserting “(a)” after “SEC. 118.” and adding
2 new subsections (b), (c) and (d) as follows:

3 “(b) For the purpose of obtaining an increase in the
4 permanent retirement of cropland to noncrop uses the Secre-
5 tary may, notwithstanding any other provision of law, trans-
6 fer funds appropriated for carrying out this title to any other
7 Federal agency or to States or local governmental agencies
8 for use in acquiring cropland for the preservation of open
9 spaces, natural beauty, the development of wildlife and rec-
10 reational facilities, and the prevention of air and water
11 pollution.

12 “(c) The Secretary also is authorized to share the cost
13 with State and local governmental agencies in the establish-
14 ment of practices and uses which will establish, protect, and
15 conserve open spaces, natural beauty, wildlife and recrea-
16 tional resources, and prevent air and water pollution.

17 “(d) The Secretary may, without regard to the civil
18 service laws, appoint an Advisory Board on Wildlife to
19 advise and consult on matters relating to his functions under
20 this title as he deems appropriate. The Board shall consist
21 of twelve persons chosen from members of wildlife organiza-
22 tions, farm organizations, State game and fish agencies, and
23 representatives of the general public. Members of such Ad-
24 visory Board who are not regular full-time employees of the
25 United States shall, while attending meetings or conferences

1 of such Board or otherwise engaged on business of such
2 Board, be entitled to receive compensation at a rate fixed by
3 the Secretary, but not exceeding \$100 per diem, including
4 travel time, and, while so serving away from their homes or
5 regular places of business, they may be allowed travel ex-
6 penses, including per diem in lieu of subsistence, as author-
7 ized by section 5 of the Administrative Expenses Act of 1946
8 (5 U.S.C. 73b-2) for persons in the Government service
9 employed intermittently.”

10 SEC. 505. Section 123 of the Soil Bank Act, as
11 amended, is repealed, except that such repeal shall not abate
12 any penalty previously incurred by a producer.

13 SEC. 506. (a) Notwithstanding any other provision of
14 law, the Secretary of Agriculture may, to the extent he
15 deems it desirable, provide by appropriate regulations for
16 preservation of cropland, crop acreage, and allotment history
17 applicable to acreage diverted from the production of crops
18 in order to establish or maintain vegetative cover or other
19 approved practices for the purpose of any Federal program
20 under which such history is used as a basis for an allotment
21 or other limitation or for participation in such program.

22 (b) Section 112 of the Soil Bank Act, as amended, and
23 subsections (b) (3) and (4) and (e)(6) of section 16 of
24 the Soil Conservation and Domestic Allotment Act, as

1 amended, are repealed, except that all rights accruing there-
2 under to persons who entered into contracts or agreements
3 prior to such repeal shall be preserved.

4 TITLE VI—COTTON

5 SEC. 601. *The Agricultural Adjustment Act of 1938, as*
6 *amended, is amended as follows:*

7 (1) *Section 348 of the Act is amended by adding the*
8 *following new sentences at the end thereof: "The Secretary*
9 *may extend the period for performance of obligations in-*
10 *curred in connection with payments made for the period*
11 *ending July 31, 1966, or may make payments on raw cotton*
12 *in inventory on July 31, 1966, at the rate in effect on such*
13 *date. No payments shall be made hereunder with respect*
14 *to the 1966 crop cotton."*

15 (2) *Section 346 of the Act is amended by adding at the*
16 *end thereof a new subsection as follows:*

17 "(e) *Notwithstanding any other provision of this Act,*
18 *for the 1966, 1967, 1968, and 1969 crops of upland cotton,*
19 *if the farm operator elects to forego price support for any*
20 *such crop of cotton by planting an acreage not exceeding*
21 *50 per centum in excess of the farm acreage allotment*
22 *established under section 344, all cotton of such crop pro-*
23 *duced on the farm may be marketed free of any penalty*
24 *under this section: Provided, That the foregoing shall be*
25 *applicable only to farms for which farm acreage allotments*

1 were established for 1965 and the farm operator for the
2 current year was the operator of such farm for 1965 or has
3 acquired such farm by inheritance from the operator since
4 such year. The operator of any farm who elects to forego
5 price support for any such year under this subsection shall
6 not be eligible for price support on cotton on any other farm
7 in which he has a controlling or substantial interest as deter-
8 mined by the Secretary. Acreage planted to cotton in excess
9 of the farm acreage allotment established under section 344
10 shall not be taken into account in establishing future State,
11 county, and farm acreage allotments.”

12 (3) Section 350 of the Act is amended, effective with
13 the 1966 crop, to read as follows:

14 “SEC. 350. In order to afford producers an opportunity
15 to participate in a program of reduced acreage and higher
16 price support, as provided in section 103(d) of the Agri-
17 cultural Act of 1949, as amended, the Secretary shall de-
18 termine a national domestic allotment for the 1966, 1967,
19 1968, and 1969 crops of upland cotton equal to the esti-
20 mated domestic consumption of upland cotton (standard
21 bales of four hundred and eighty pounds net weight) for
22 the marketing year beginning in the year in which the
23 crop is to be produced. The Secretary shall determine a
24 farm domestic acreage allotment percentage for each such

1 year by dividing (1) the national domestic allotment (in
 2 net weight pounds) by (2) the total for all States of the
 3 product of the State acreage allotment and the projected
 4 State yield. The farm domestic acreage allotment shall be
 5 established by multiplying the farm acreage allotment
 6 established under section 344 by the farm domestic acreage
 7 allotment percentage: Provided, That no farm domestic
 8 acreage allotment shall be less than 65 per centum of such
 9 farm acreage allotment: Provided further, That, except for
 10 farms the acreage allotments of which are reduced under
 11 section 344(m), the farm domestic allotment shall not be
 12 less than the smaller of ten acres or the farm acreage allot-
 13 ment established under section 344. Such national domestic
 14 allotment shall be determined not later than October 15 of
 15 the calendar year preceding the year in which the crop is
 16 to be produced.”

17 SEC. 602. Section 103 of the Agricultural Act of 1949,
 18 as amended, is amended by adding the following new sub-
 19 section at the end thereof:

20 “(d)(1) Notwithstanding any other provision of this
 21 Act, if producers have not disapproved marketing quotas,
 22 price support shall be made available for the 1966, 1967,
 23 1968, and 1969 crops of upland cotton as provided in this
 24 subsection.

25 “(2) Price support for each such crop of upland cotton

1 shall be made available to cooperators through loans at such
2 level, not exceeding 90 per centum of the estimated average
3 world market price for Middling one-inch upland cotton at
4 average location in the United States for the marketing year
5 for such crop, as the Secretary determines will provide or-
6 derly marketing of cotton during the harvest season and will
7 retain an adequate share of the world market for cotton pro-
8 duced in the United States taking into consideration the fac-
9 tors specified in section 401(b) of this Act: Provided, That
10 the national average loan rate for the 1966 crop shall reflect
11 21 cents per pound for Middling one-inch upland cotton.

12 “(3) The Secretary shall provide additional price sup-
13 port for each such crop through payments in cash or in
14 kind to cooperators at a rate not less than nine cents per
15 pound: Provided, That the total of the national average loan
16 rate for any crop under paragraph (2) and the rate at
17 which payments are made under this paragraph shall not be
18 less than 65 per centum nor more than 90 per centum of
19 the parity price for cotton. Such payments shall be made
20 on the quantity of cotton determined by multiplying the
21 projected farm yield by the acreage planted to cotton within
22 the farm domestic acreage allotment: Provided, That any
23 such farm planting not less than 90 per centum of such
24 domestic acreage allotment shall be deemed to have planted
25 the entire amount of such allotment.

1 “(4) The Secretary shall also make price support pay-
2 ments in cash or in kind in addition to the payments author-
3 ized in paragraph (3) to cooperators who reduce their
4 cotton acreage by diverting a portion of their cotton acreage
5 allotment from the production of cotton to approved con-
6 servation practices to the extent prescribed by the Secre-
7 tary: Provided, That the total reduction in such cotton
8 acreage shall not exceed 35 per centum of the farm acreage
9 allotment, but no reduction shall be required on small farms
10 with minimum domestic acreage allotments under section
11 350 of the Agricultural Adjustment Act of 1938, as
12 amended. The rate of payment under this paragraph shall
13 be such rate as the Secretary determines to be fair and
14 reasonable, but shall not be less than 50 per centum of the
15 national average loan rate established under paragraph (2).
16 Such payment shall be made on a quantity of cotton deter-
17 mined by multiplying the acreage diverted from the produc-
18 tion of cotton by the projected farm yield, except that
19 payment to small farms with minimum domestic acreage
20 allotments under section 350 of the Agricultural Adjustment
21 Act of 1938, as amended, shall be made on a quantity of
22 cotton determined by multiplying an acreage equal to 35
23 per centum of such farm domestic acreage allotment by the
24 projected farm yield.

25 “(5) The Secretary may make not to exceed 50 per

1 centum of the payments under this subsection to producers
2 in advance of determination of performance and the balance
3 of such payments shall be made as soon after determination
4 of performance as practicable.

5 “(6) Where the farm operator elects to participate in
6 the acreage reduction program authorized in this subsection
7 and no acreage is planted to cotton on the farm, price support
8 payments for the 1966 crop shall be made at a rate equal
9 to 50 per centum of the national average loan rate estab-
10 lished under paragraph (2) on the quantity of cotton deter-
11 mined by multiplying 15 per centum of the farm acreage
12 allotment by the projected farm yield, and the remainder of
13 such allotment may be released under the provisions of sec-
14 tion 344(m)(2) of the Agricultural Adjustment Act of
15 1938, as amended: Provided, That for the 1967, 1968, and
16 1969 crops such rate of payment shall be that which the
17 Secretary determines to be comparable to the rate of pay-
18 ment under paragraph (4). The acreage on which payment
19 is made under this paragraph shall be regarded as planted to
20 cotton for purposes of establishing future State, county, and
21 farm acreage allotments and farm bases.

22 “(7) Payments in kind under this subsection shall be
23 made through the issuance of certificates which the Com-
24 modity Credit Corporation shall redeem for cotton under
25 regulations issued by the Secretary at a value per pound

1 equal to not less than the current loan rate therefor. The
2 Corporation may, under regulations prescribed by the Secre-
3 tary, assist the producers in the marketing of such certificates
4 at such times and in such manner as the Secretary deter-
5 mines will best effectuate the purposes of the program
6 authorized by this subsection.

7 “(8) Payments under paragraphs (4) and (6) of this
8 subsection shall be conditioned on the farm having an acre-
9 age of approved conservation uses equal to the sum of (i)
10 the reduction in cotton acreage required to qualify for pay-
11 ments under paragraph (4) or the acreage with respect to
12 which payments are made under paragraph (6), as the case
13 may be, and (ii) the average acreage of cropland on the
14 farm devoted to designated soil-conserving crops or prac-
15 tices, including summer fallow and idle land, during a base
16 period prescribed by the Secretary: Provided, That the
17 Secretary may permit all or any part of such reduced acreage
18 to be devoted to the production of guar, sesame, safflower,
19 sunflower, castor beans, mustard seed, and flax, if he deter-
20 mines that such production is necessary to provide an ade-
21 quate supply of such commodities, is not likely to increase
22 the cost of the price support program, and will not adversely
23 affect farm income.

24 “(9) The acreage regarded as planted to cotton on any
25 farm which qualifies for payment under paragraph (4) of

1 *this subsection shall, for purposes of establishing future State,*
2 *county, and farm acreage allotments and farm bases, be the*
3 *farm acreage allotment established under section 344 of the*
4 *Agricultural Adjustment Act of 1938, as amended, excluding*
5 *adjustments under subsection (m) (2) thereof.*

6 “(10) *The Secretary shall provide adequate safeguards*
7 *to protect the interests of tenants and sharecroppers, includ-*
8 *ing provision for sharing on a fair and equitable basis in*
9 *price support under this subsection.*

10 “(11) *Notwithstanding any other provision of this sec-*
11 *tion, the amount of price-support payments made with re-*
12 *spect to any farm may be adjusted for failure to comply fully*
13 *with the terms and conditions of the program formulated*
14 *pursuant to this subsection.*

15 “(12) *Notwithstanding any other provision of this Act,*
16 *if as a result of limitations hereafter enacted with respect to*
17 *price support under this subsection, the Secretary is unable*
18 *to make available to all cooperators the full amount of com-*
19 *bined price support to which they would otherwise be en-*
20 *titled under paragraphs (2) and (3) of this subsection for*
21 *any crop of upland cotton, (A) price support to cooperators*
22 *shall be made available for such crop (if marketing quotas*
23 *have not been disapproved) through loans or purchases*
24 *at such level not less than 65 per centum nor more than 90*
25 *per centum of the parity price therefor as the Secretary de-*

1 *termines appropriate; (B) in order to keep upland cotton*
2 *to the maximum extent practicable in the normal channels*
3 *of trade, such price support may be carried out through the*
4 *simultaneous purchase of cotton at the support price therefor*
5 *and resale at a lower price or through loans under which*
6 *the cotton would be redeemable by payment of a price there-*
7 *for lower than the amount of the loan thereon; and (C)*
8 *such resale or redemption price shall be such as the Secre-*
9 *tary determines will provide orderly marketing of cotton*
10 *during the harvest season and will retain an adequate share*
11 *of the world market for cotton produced in the United States.*

12 “(13) *An acreage on a farm in any such year which*
13 *the Secretary finds was not planted to cotton because of*
14 *drought, flood, or other natural disaster shall be deemed to*
15 *be planted to cotton for purposes of payments under this*
16 *subsection if such acreage is not subsequently devoted to any*
17 *price-supported crop in such year.*

18 “(14) *Section 408(b) of the Agricultural Act of 1949,*
19 *as amended, is amended by changing the period at the end*
20 *of the first sentence thereof to a colon and adding the follow-*
21 *ing: ‘Provided, That for upland cotton a cooperator shall be*
22 *a producer on whose farm the acreage planted to such cotton*
23 *for the 1966 crop does not exceed 90 per centum of such*
24 *farm acreage allotment and for the 1967, 1968, and 1969*
25 *crops does not exceed such percentage, not less than 90 or*

1 more than 100 per centum, of such farm acreage allotment
 2 as the Secretary may determine, except that this proviso
 3 shall not apply to any farm receiving a minimum farm
 4 domestic acreage allotment under section 350 of the Agricul-
 5 tural Adjustment Act of 1938, as amended.'

6 “(15) The provisions of subsection 8(g) of the Soil
 7 Conservation and Domestic Allotment Act, as amended
 8 (relating to assignment of payments) shall also apply to
 9 payments under this subsection.”

10 SEC. 603. Section 301 of the Agricultural Adjustment
 11 Act of 1938, as amended, is amended by adding the fol-
 12 lowing new subparagraphs to paragraph (13) of subsection
 13 (b):

14 “(L) ‘Projected National, State, and county yields’
 15 for any crop of cotton shall be determined on the basis
 16 of the yield per harvested acre of such crop in the
 17 United States, the State and the county, respectively,
 18 during each of the five calendar years immediately pre-
 19 ceding the year in which such projected yield for the
 20 United States, the State, and the county, respectively,
 21 is determined, adjusted for abnormal weather conditions
 22 affecting such yield, for trends in yields, and for any
 23 significant changes in production practices.

24 “(M) ‘Projected farm yield’ for any crop of cotton

1 shall be determined on the basis of the yield per har-
2 vested acre of such crop on the farm during each of the
3 three calendar years immediately preceding the year in
4 which such projected farm yield is determined, adjusted
5 for abnormal weather conditions affecting such yield, for
6 trends in yields, and for any significant changes in pro-
7 duction practices, but in no event shall such projected
8 farm yield be less than the normal yield for such farm
9 as provided in subparagraph (I) of this paragraph.”

10 SEC. 604. Section 407 of the Agricultural Act of 1949,
11 as amended, is amended by adding at the end thereof the
12 following: “Notwithstanding any other provision of this
13 section, for the period August 1, 1966, through July 31,
14 1970, (1) the Commodity Credit Corporation shall sell up-
15 land cotton for unrestricted use at the same prices as it sells
16 cotton for export, in no event, however, at less than 110 per
17 centum of the loan rate, and (2) the Commodity Credit
18 Corporation shall sell or make available for unrestricted use
19 at current market prices in each marketing year a quantity
20 of upland cotton equal to the amount by which the produc-
21 tion of upland cotton is less than the estimated requirements
22 for domestic use and for export for such marketing year.
23 The Secretary may make such estimates and adjustments
24 therein at such times as he determines will best effectuate
25 the provisions of part (2) of the foregoing sentence and such

1 quantities of cotton as are required to be sold under such
 2 sentence shall be offered for sale in an orderly manner and
 3 so as not to affect market prices unduly.”

4 TITLE VII—MISCELLANEOUS

5 SEC. 701. *The Agricultural Adjustment Act of 1938,*
 6 *as amended, is amended by inserting after section 378 the*
 7 *following new section:*

8 “RECONSTITUTION OF FARMS

9 “SEC. 379. *In any case in which the ownership of a*
 10 *tract of land is transferred from a parent farm, the acreage*
 11 *allotments, history acreages, and base acreages for the farm*
 12 *shall be divided between such tract and the parent farm in*
 13 *the same proportion that the cropland acreage in such tract*
 14 *bears to the cropland acreage in the parent farm, except that*
 15 *the Secretary shall provide by regulation the method to be*
 16 *used in determining the division, if any, of the acreage allot-*
 17 *ments, histories, and bases in any case in which—*

18 “(1) *the tract of land transferred from the parent*
 19 *farm has been or is being transferred to any agency*
 20 *having the right to acquire it by eminent domain;*

21 “(2) *the tract of land transferred from the parent*
 22 *farm is to be used for nonagricultural purposes;*

23 “(3) *the parent farm resulted from a combination*
 24 *of two or more tracts of land and records are available*

1 *showing the contribution of each tract to the allotments,*
2 *histories, and bases of the parent farm;*

3 *“(4) the appropriate county committee determines*
4 *that a division based on cropland proportions would*
5 *result in allotments and bases not representative of the*
6 *operations normally carried out on any transferred tract*
7 *during the base period; or*

8 *“(5) the parent farm is divided among heirs in*
9 *settling an estate.”*

10 *SEC. 702. Notwithstanding any other provision of law,*
11 *in the determination of farm yields the Secretary may use*
12 *projected yields in lieu of normal yields. In the determina-*
13 *tion of such yields the Secretary shall take into account the*
14 *actual yield proved by the producer, and the projected yield*
15 *shall not be less than the actual yield proved by the producer,*
16 *unless the Secretary finds that the use of such proved yields*
17 *for any commodity will cause inequities between producers.*

18 ✓ *SEC. 703. The Secretary of Agriculture is hereby au-*
19 *thorized to use funds of the Commodity Credit Corporation*
20 *to purchase sufficient supplies of dairy products at market*
21 *prices to meet the requirements of any programs for the*
22 *schools, domestic relief distribution, community action, foreign*
23 *distribution, and such other programs as are authorized*
24 *by law, when there are insufficient stocks of dairy products*

1 in the hands of Commodity Credit Corporation available
2 for these purposes.

3 SEC. 704. The Secretary of Agriculture is directed to
4 cause a study of the situation of full-time commercial family
5 farms to be made by appropriate personnel of the Department
6 of Agriculture, to indicate among other things, the degree to
7 which farm programs are of benefit to such farmers.

8 Such a study should suggest possible criteria for defining
9 commercial family farms on a county-by-county basis and
10 may develop on a pilot basis, examples of how such com-
11 mercial family farm criteria might apply in typical agricul-
12 tural counties in several production areas of the Nation.

13 The Secretary shall make such report to the agricultural
14 committees of the Congress on or before February 1, 1966.

15 SEC. 705. Notwithstanding any other provision of law,
16 for each of the 1966, 1967, 1968, and 1969 crops of upland
17 cotton the total amount of price support made available to a
18 cooperator shall not be less than an amount determined by
19 multiplying the farm acreage allotment by the projected farm
20 yield by 65 per centum of the parity price for cotton as of
21 the beginning of the marketing year.

22 TITLE VIII—DAIRY

23 SEC. 801. The Agricultural Adjustment Act, as reen-
24 acted and amended by the Agricultural Marketing Agree-

1 *ment Act of 1937, as amended, is further amended by adding*
2 *at the end of section 8c(5) the following new subparagraph*
3 *(H):*

4 “(H) Notwithstanding any other provision of this sec-
5 tion, providing:

6 “(i) for allocating, or providing a method for allo-
7 cating, to each producer under a marketing order, a
8 share of the total sales of milk received from producers
9 classified in, and subject to the minimum price or prices
10 applicable to, the highest use classification or classifi-
11 cations under the marketing order and such reserves of
12 producer milk as may be found essential thereto, which
13 share shall be determined on the basis of total deliveries
14 of milk made by each such producer during the year
15 1964, or such other representative period as the Secre-
16 tary may prescribe in the order as more appropriate,
17 due allowance being made in the provisions of the order
18 for (a) abnormal conditions, (b) hardship cases, and
19 (c) producers under the order engaged in milk produc-
20 tion at the time provisions hereunder are incorporated
21 in the order but who did not produce milk during all
22 or part of the representative period. Dairy farmers who
23 were producing and marketing milk prior to the date
24 when provisions hereunder were incorporated in the
25 order and who were not on such date delivering milk as

1 producers under the order shall upon becoming pro-
2 ducers under the order be provided, with respect to
3 milk delivered under the order, allocations on the same
4 basis as those who were producers under the order when
5 such provisions become effective: *Provided, That if any*
6 dairy farm of such a dairy farmer has been trans-
7 ferred to another person and no allocation based on
8 deliveries from such farm has been issued when milk is
9 first delivered therefrom as producer milk under the
10 order, such transferee then operating the farm shall be
11 provided any allocation for which the said dairy farmer
12 would otherwise have been eligible based on deliveries
13 from such farm. Provisions shall also be made for allo-
14 cating to any new producer under an order who was not
15 engaged in dairy farming prior to the incorporation in
16 the order of provisions hereunder an equitable share of
17 the allocated sales on such terms and conditions as pre-
18 scribed in the order, due consideration being given to the
19 current and prospective supply conditions in the regu-
20 lated market. The application of allocations hereunder
21 shall be subject to such provisions as may be incorporated
22 in the order under section 8c(5)(D). Allocations to
23 producers under this subparagraph may be transferable
24 under an order on such terms and conditions as may be
25 prescribed if the Secretary of Agriculture determines

1 *that transferability will be in the best interest of the pub-*
2 *lic, existing producers, and prospective new producers.*
3 *The allocations or bases hereunder may be adjusted from*
4 *time to time or new allocations or bases may be estab-*
5 *lished by amending the order or under provisions in-*
6 *corporated in the order;*

7 *“(ii) that in distributing to producers the amounts*
8 *of money required to be paid by handlers on milk each*
9 *producer shall be paid (1) for milk delivered by him*
10 *which exceeds his allocation at the lowest class price*
11 *specified in the order and (2) for milk delivered by*
12 *him within his allocation a blend price, based on utiliza-*
13 *tion in such higher class uses plus reserve, represent-*
14 *ing his pro rata share of the remaining funds available*
15 *for current distribution to producers under the order,*
16 *after the computation has been made under (1) hereof.*
17 *The payments under (1) and (2) above shall be sub-*
18 *ject to adjustments prescribed in the order under sec-*
19 *tion 8c(5)(B) or other provisions of the Act and to*
20 *such provisions as may be incorporated in the order*
21 *under section 8c(5)(D);*

22 *“(iii) in marketing orders where individual handler*
23 *pools are approved as provided by subparagraph 8c*
24 *(5)(B)(i) the provisions of this subparagraph may*

1 *be applied to each handler individually and to the pro-*
2 *ducers delivering milk to such handlers;*

3 *“(iv) in the case of any producer who during any*
4 *accounting period delivers a portion of his milk to per-*
5 *sons not fully regulated by the order, provision may be*
6 *made for reducing the allocation of, or payments to be re-*
7 *ceived by; any such producer to compensate for any mar-*
8 *ketings of milk to such other persons for such period or*
9 *periods as necessary to insure equitable participation in*
10 *marketings among all producers;*

11 *“(v) the order may provide for such reports and the*
12 *keeping of such books and records by producers and by*
13 *the person or persons to whom he may dispose of milk as*
14 *the Secretary may prescribe and upon request of the*
15 *Secretary such person or persons shall make required*
16 *records available for inspection;*

17 *“(vi) the provisions authorized under this subpara-*
18 *graph may be made applicable to a regulated handler’s*
19 *own production of milk;*

20 *“(vii) order provisions under this subparagraph*
21 *shall not become effective in any marketing order unless*
22 *separately approved by producers in the same manner*
23 *provided for the approval of marketing orders. Disap-*
24 *proval of order provisions under this subparagraph shall*

1 *not be considered disapproval of the order or of other*
2 *terms of the order. Order provisions under this sub-*
3 *paragraph may be terminated separately whenever the*
4 *Secretary makes the determination with respect to such*
5 *provisions as is provided for the termination of an order*
6 *in section 8c(16)(B);*

7 *“(viii) Any producer for whom an allocation or*
8 *base is established under the authority of this subpara-*
9 *graph may obtain a review thereof as prescribed by the*
10 *order and rules and regulations thereunder, which shall*
11 *constitute the exclusive procedure for review thereof and*
12 *section 8c(15)(A) of this title shall not apply thereto.*
13 *Under such order, rules, or regulations any officers or*
14 *employees of the Department or any committees or*
15 *boards of producers under the order created for the pur-*
16 *pose may be vested with authority to perform any or*
17 *all functions in connection with such review proceed-*
18 *ings, including ruling thereon. Committees or boards*
19 *created for this purpose shall be deemed agencies of the*
20 *Secretary within the meaning of subsection 8c(7)(C)*
21 *and section 10 of this title. The ruling upon such review*
22 *shall be final if in accordance with law. The producer*
23 *may obtain a judicial review of such ruling in accord-*
24 *ance with the provisions of section 8c(15)(B) of this*
25 *title; and*

1 “(ix) the provisions of section 8a(5) shall not
2 apply to any producer in the application of this sub-
3 paragraph or regulations issued pursuant thereto.”

Passed the House of Representatives August 19, 1965.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with an amendment September 14
(legislative day, September 13), 1965.

Attest:

FELTON M. JOHNSTON,
Secretary.

AN ACT

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 14 (legislative day, SEPTEMBER 13), 1966

Ordered to be printed with the amendment of the Senate

DIGEST of Congressional Proceedings

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HIGHLIGHTS: House conferees were appointed on farm bill.

HOUSE

1. FARM BILL. Conferees were appointed on H. R. 9811, the farm bill. Senate conferees have already been appointed. p. 23474
2. FORESTRY. Passed without amendment S. 1764, to authorize acquisition of certain lands in the Uinta National Forest, Utah. This bill will now be sent to the President. pp. 23434-5, 23444-5
3. STOCKPILING. Passed as reported H. R. 6852, to authorize disposal of about 47 million pounds of abaca from the national stockpile without the 6-month waiting period. p. 23438
Passed without amendment H. R. 10516, to authorize disposal of vegetable tannin from the national stockpile. p. 23499

4. ALASKA. Passed without amendment S. 1190, to provide that certain limitations shall not apply to certain land patented to Alaska for use of the University of Alaska. (p. 23440). This bill will now be sent to the President.
5. FISH CONSERVATION. Passed under suspension of the rules H. R. 23, to authorize Interior to initiate a program for conservation, development, and enhancement of the Nation's anadromous fish in cooperation with the States. pp. 23479-83
6. PESTICIDES. Passed under suspension of the rules S. 1623, to increase the authorization to Interior for research on the effects of insecticides, herbicides, fungicides, and other pesticides upon fish and wildlife. p. 23483
7. OCEANOGRAPHY. Passed under suspension of the rules S. 944, to authorize expanded research and development in the marine environment, etc. pp. 23483-95
8. LABOR STANDARDS; CONTRACTS. Passed under suspension of the rules H. R. 10238, to provide labor standards for certain persons employed by Federal contractors to furnish services to Federal agencies. pp. 23495-7
9. BUILDINGS AND GROUNDS. Passed under suspension of the rules H. R. 9830, to authorize executive agencies to pay a State or political subdivision for sidewalk repair or replacement around their buildings. pp. 23497-500
10. FARM PROGRAM. Rep. Langen inserted a speech by John Harms (Kiplinger) before the House Republican Task Force on Agriculture. pp. 23506-8
11. RETIREMENT. The Post Office and Civil Service Committee reported with amendment H. R. 969, to authorize redetermination under the Civil Service Retirement Act of annuities of certain reemployed annuitants (H. Rept. 1035). p. 23522
12. LEGISLATIVE PROGRAM. Today (September 21) the House is to consider the Private Calendar, the water pollution bill, and the rivers and harbors and flood control bill. p. D941

SENATE

13. WEIGHTS AND MEASURES. Passed with amendment S. 774, to authorize the Secretary of Commerce to make a study to determine the advantages and disadvantages of increased use of the metric system in the United States. pp. 23527-31
14. TARIFF. Agreed to the conference report on H. R. 5768, to extend for an additional three years, until Nov. 7, 1968, the existing suspension of duties on certain classifications of silk yarn, and to provide for a study of the feasibility of separate classifications for yarns of man-made fibers commonly referred to as textured or texturized yarns. This bill will now be sent to the President. p. 23534
Agreed to the conference report on H. R. 7969, to correct certain errors in the U. S. Tariff Schedules (pp. 23534-36). The bill includes a provision for duty-free treatment for machines with photoelectric sensing devices for the sorting, on the basis of color only, of beans, peas, nuts, or similar agricultural products. This bill will now be sent to the President.
15. TRANSPORTATION. Agreed to the conference report on S. 1588, to authorize the Secretary of Commerce to undertake research, development, and demonstration in high-speed ground transportation. This bill will now be sent to the President. pp. 23554-57

incompatible with the inter-American system. I join wholeheartedly in this sentiment, and I will continue to support those efforts which can deal realistically and effectively with international communism's efforts to subvert and to dominate independent nations. For the fact of the matter is that communism is diametrically opposed to the open society, which is the very strength and basis of both our system and that of many other countries in this hemisphere and elsewhere in the world.

But I cannot agree to support this resolution as it has been presented to the House today, although I feel a better conceived and better drafted measure might very well be in order. This resolution, however, meets neither of these criteria: it is both inadequately considered and imperfectly drafted.

In addition, Mr. Speaker, a measure of this importance should not be considered under the severe time limitations imposed by suspension of the rules. We should have more than 40 minutes to discuss a matter of this magnitude and we certainly should be given an opportunity to consider perfecting amendments which, of course, is not possible under today's procedures.

We must bear in mind when considering a measure such as this that the rising tide of popular feeling in Latin America today is directed toward social reform and economic improvement. These goals are not inconsistent with our own goals and our own traditions. But we trap ourselves, we seriously reduce our options, and we severely inhibit our opportunities to be effective if we automatically oppose reform and revolutionary movements just because a few radicals and extremists, along with progressives, liberals, moderates, and others, are associated with them. We force ourselves to be associated with the status quo, with often reactionary systems, and we find ourselves opposed to the constructive outlets and the bright future of the Alliance for Progress.

The distinguished chairman of the Senate Committee on Foreign Relations, Mr. FULBRIGHT, stated it very well when he said last week:

The movement of the future in Latin America is social revolution. The question is whether it is to be Communist or democratic revolution and the choice which the Latin Americans make will depend in part on how the United States uses its great influence.

Mr. Speaker, the Charter of the Organization of American States is perfectly clear in its opposition to unilateral action or to intervention in the internal affairs of any nation.

Article 15 states:

No state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state.

And article 17 states:

The territory of a state is inviolable; it may not be the object, even temporarily, of military occupation or of other measures of force taken by another state, directly or indirectly, on any grounds whatever.

It may be that unilateral action or direct intervention are not the objectives

of this resolution. But this is not clear to many of us today and I am certain that it would not be clear to many of our neighbors and friends.

So, Mr. Speaker, I do not think we should approve this resolution today and I will not vote to support it. This resolution is much too negative in nature. It does not add one iota to the President's constitutional responsibility or authority to conduct our foreign policy. It will do little if anything to deter communism. And it in no way enhances our ability to contribute the strength, the vitality, and the great traditions of our own system to the changing and challenged societies of Latin America.

Mr. HALL. Mr. Speaker, I certainly wish to express my support for House Resolution 560, reaffirming the Monroe Doctrine.

I believe we should not only keep communism out of the Western Hemisphere, by all means at our disposal, but we should also do everything possible to prevent Communist subversion within our own national boundaries.

I have introduced legislation in this Congress to outlaw the Communist Party, U.S.A., not because the Communist Party members are numerous, but because they are well financed and expert in every subversive technique.

Along these lines, I call my colleagues' attention to the article from the Joplin Globe of August 23, 1965, entitled "U.S. Red Youth School":

U.S. RED YOUTH SCHOOL
(By Ray Cromley)

WASHINGTON.—Late last month the Communist Party called 80 selected Red youths in from all over the United States for a secret training school.

The sessions were held at Camp Midvale, at Ringwood, N.J., about 35 miles from New York City. Students were handpicked as potential future leaders of the senior Communist Party.

The meetings were so secret that the 2 weeks they were there the students were prohibited from communicating with the outside world. No phone calls were permitted, incoming or outgoing. Students were not allowed to send letters from the camp. As an added security measure, students used only their first names for the weeks.

During the sessions, several leaders of the W. E. B. Du Bois (youth) Clubs of America were inducted into full membership in the Communist Party.

THE LEADERS

Instructors at the school included top Reds, Communist Party general secretary Gus Hall, vice chairman Henry Winston and Claude Lightfoot, chief party theoretician Herbert Aptheker, national youth director Michael Zagarell, national education secretary Hyman Lumer, national committee member Helen Winter. Betty Garnett and George Meyers were among the teachers.

Most students attending the school have now been sent to key cities to begin twin recruiting drives for the Communist Party and for the Du Bois Clubs. Young people working on these drives are paid \$30 a week.

The main thrust of this organizational drive centers in key Midwest cities—St. Louis, Chicago, Cleveland, and Detroit.

The secret school included instruction in Lenin's works on the necessity of and the methods of achieving the violent overthrow of non-Communist governments by force.

Other courses dealt with the Communist theory of "peaceful coexistence" and how

it is a form of the class struggle between Communists and non-Communists.

THE COURSES

Course titles included "The fight for peace and against imperialist aggression in Vietnam"; "The struggle of Negroes in the United States for equality"; "The class struggle and the trade union movement"; "The revolutionary significance of the civil rights movement"; and "The struggle for economic welfare."

Required reading included several chapters in the Soviet Communist text "Fundamentals of Marxism-Leninism."

The Communist youth were told to use every opportunity to work into the civil rights movement.

They were told to cooperate with all student drives against the United States in Vietnam including drives which urge young men to refuse military services in southeast Asia.

They were instructed to never lose a chance to use any youth groups available for their aims and to work through them as fronts rather than openly as Reds.

All this adds up to one thing: The Communist problem is not the size of the Red organization. The problem rather is that with preparation, a handful of Communist-trained young people can sometimes push a non-Red youth group into acts which suit Communist aims.

The SPEAKER. All time has expired. The question is, Will the House suspend the rules and pass House Resolution 560?

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered.

The question was taken; and there were—yeas 312, nays 52, answered "present" 3, not voting 65, as follows:

[Roll No. 310]

YEAS—312

Abbitt	Clark	Fulton, Pa.
Abernethy	Clausen,	Fulton, Tenn.
Adams	Don H.	Fuqua
Addabbo	Cleveland	Gallagher
Albert	Clevenger	Garmatz
Anderson,	Collier	Gathings
Tenn.	Conable	Gettys
Andrews,	Cooley	Gibbons
Glenn	Corbett	Gilligan
Andrews,	Cramer	Gonzalez
N. Dak.	Cunningham	Goodell
Annunzio	Curtin	Grabowski
Arends	Curtis	Gray
Ashbrook	Dague	Green, Pa.
Ashmore	Daniels	Grelgg
Aspinall	Davis, Ga.	Griffin
Ayres	Davis, Wis.	Griffiths
Baldwin	Dawson	Gross
Bandstra	de la Garza	Grover
Baring	Delaney	Gubser
Bates	Dent	Gurney
Battin	Denton	Hagan, Ga.
Beckworth	Derwinski	Hagen, Calif.
Belcher	Dickinson	Haley
Bell	Dingell	Hall
Bennett	Dole	Halleck
Betts	Donohue	Hamilton
Blatnik	Dorn	Hanley
Boggs	Dowdy	Hansen, Idaho
Bow	Downing	Hansen, Iowa
Bray	Dulski	Hansen, Wash.
Brooks	Duncan, Tenn.	Hardy
Broomfield	Dwyer	Harsha
Broyhill, N.C.	Edmondson	Harvey, Ind.
Broyhill, Va.	Edwards, Ala.	Harvey, Mich.
Buchanan	Ellsworth	Hathaway
Burke	Erlenborn	Hébert
Burleson	Evans, Colo.	Henderson
Burton, Utah	Everett	Herlong
Byrne, Pa.	Evins, Tenn.	Hicks
Byrnes, Wis.	Fallon	Horton
Cahill	Farnum	Noward
Callan	Fascell	Hull
Callaway	Feighan	Hungate
Carey	Findley	Huot
Carter	Fisher	Hutchinson
Casey	Flood	Ichord
Cederberg	Flynt	Jacobs
Chamberlain	Ford, Gerald R.	Jarman
Chelf	Fountain	Johnson, Calif.
Clancy	Friedel	Johnson, Okla.

Johnson, Pa.	Multer	Selden
Jonas	Murphy, Ill.	Shipley
Jones, Ala.	Murphy, N.Y.	Shriver
Jones, Mo.	Murray	Sikes
Karsten	Natcher	Skubitz
Karth	Nelsen	Slack
Kelly	O'Konski	Smith, Calif.
King, Calif.	Olsen, Mont.	Smith, Va.
King, N.Y.	O'Neal, Ga.	Stafford
King, Utah	O'Neill, Mass.	Staggers
Kirwan	Passman	Stalbaum
Kornegay	Patten	Stanton
Krebs	Pelly	Steed
Kunkel	Pepper	Stubblefield
Laird	Perkins	Sweeney
Landrum	Philbin	Talcott
Langen	Pickle	Taylor
Latta	Pike	Teague, Calif.
Lennon	Poage	Teague, Tex.
Lipscomb	Poff	Tenzer
Long, Md.	Pool	Thomson, Wis.
Love	Price	Trimble
McCarthy	Pucinski	Tuck
McClory	Quile	Tupper
McCulloch	Race	Tuten
McDade	Randall	Udall
McDowell	Redlin	Ullman
McEwen	Reid, Ill.	Utt
McGrath	Reifel	Vanik
McMillan	Reinecke	Vigorito
McVicker	Rhodes, Ariz.	Walker, Miss.
Machen	Rhodes, Pa.	Walker, N. Mex.
Mackay	Rivers, Alaska	Watkins
Mackie	Rivers, S.C.	Watson
Mahon	Roberts	Watts
Mailliard	Robison	Weltner
Marsh	Rodino	Whalley
Martin, Ala.	Rogers, Colo.	White, Idaho
Martin, Nebr.	Rogers, Fla.	White, Tex.
May	Ronan	Whitener
Meeds	Roncallo	Whitten
Michel	Rooney, N.Y.	Widnall
Mills	Rooney, Pa.	Williams
Minish	Rostenkowski	Willis
Minshall	Roush	Wilson, Bob
Mize	Rumsfeld	Wilson, Charles H.
Moeller	Satterfield	Wolf
Monagan	St. Onge	Wright
Moore	Saylor	Wyatt
Moorhead	Schisler	Wylder
Morgan	Schmidhauser	Young
Morrison	Schneebell	Younger
Morse	Schweiker	Zablocki
Morton	Scott	
Mosher	Secrest	

NAYS—52

Ashley	Farbstein	Moss
Bingham	Ford	Nedzi
Boland	William D.	O'Hara, Ill.
Bolling	Fraser	O'Hara, Mich.
Brademas	Gialmo	Olson, Minn.
Brown, Calif.	Gilbert	Ottinger
Burton, Calif.	Green, Oreg.	Reid, N.Y.
Cameron	Hanna	Resnick
Cohelan	Hechler	Reuss
Conte	Holland	Rosenthal
Conyers	Irwin	Ryan
Corman	Kastenmeier	Scheuer
Culver	Leggett	Sickles
Daddario	McFall	Sisk
Dow	Macdonald	Thompson, N.J.
Duncan, Oreg.	Mathias	Van Deerlin
Dyal	Matsunaga	Yates
Edwards, Calif.	Mink	

ANSWERED "PRESENT"—3

Hays	Helstoski	Joelson
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NOT VOTING—65

Adair	Halpern	Powell
Anderson, Ill.	Harris	Purcell
Andrews,	Hawkins	Quillen
George W.	Holifield	Rogers, Tex.
Barrett	Hosmer	Roosevelt
Berry	Jennings	Roudebush
Bolton	Kee	Roybal
Bonner	Keith	St Germain
Brock	Keogh	Senner
Cabell	Kluczynski	Smith, Iowa
Celler	Lindsay	Smith, N.Y.
Clawson, Del	Long, La.	Springer
Colmer	MacGregor	Stephens
Crale	Madden	Stratton
Devine	Martin, Mass.	Sullivan
Diggs	Matthews	Thomas
Farnsley	Miller	Thompson, Tex.
Fino	Morris	Todd
Fogarty	Nix	Toll
Foley	O'Brien	Tunney
Frelinghuysen	Patman	Vivian
Grider	Pirnie	Waggoner

So, two-thirds having voted in favor thereof, the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Keogh with Mrs. Bolton.
Mr. Waggoner with Mr. Adair.
Mr. Fogarty with Mr. Frelinghuysen.
Mr. Long of Louisiana with Mr. Springer.
Mrs. Sullivan with Mr. Pirnie.
Mr. Purcell with Mr. Roudebush.
Mr. St Germain with Mr. Del Clawson.
Mr. Jennings with Mr. Anderson of Illinois.
Mr. Colmer with Mr. Berry.
Mr. Bonner with Mr. Martin of Massachusetts.

Mr. Kee with Mr. Keith.
Mr. Hollifield with Mr. Hosmer.
Mr. Stratton with Mr. Fino.
Mr. Toll with Mr. MacGregor.
Mr. Celler with Mr. Devine.
Mr. Barrett with Mr. Halpern.
Mr. George W. Andrews with Mr. Quillen.
Mr. Miller with Mr. Brock.
Mr. O'Brien with Mr. Lindsay.
Mr. Matthews with Mr. Smith of New York.
Mr. Kluczynski with Mr. Roybal.
Mr. Rogers of Texas with Mr. Grider.
Mr. Senner with Mr. Hawkins.
Mr. Madden with Mr. Thompson of Texas.
Mr. Cabell with Mr. Roosevelt.
Mr. Harris with Mr. Morris.
Mr. Farnsley with Mr. Diggs.
Mr. Smith of Iowa with Mr. Tunney.
Mr. Vivian with Mr. Patman.
Mr. Todd with Mr. Nix.
Mr. Foley with Mr. Powell.
Mr. Stephens with Mr. Thomas.

Mr. KING of California changed his vote from "nay" to "yea."

Mr. CHARLES H. WILSON changed his vote from "nay" to "yea."

Mr. HICKS changed his vote from "nay" to "yea."

Mr. KUNKEL changed his vote from "present" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. KEITH. Mr. Speaker, I arrived just after my name was called. I therefore cannot qualify. Had I been present, I would have voted "yea."

GENERAL LEAVE

Mr. SELDEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FOOD AND AGRICULTURE ACT OF 1965

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade to afford greater economic opportunity in rural areas and for other purposes, with Senate amendments

thereto, disagree to the Senate amendments, and to agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none and appoints the following conferees: Messrs. COOLEY, POAGE, ABBITT, HAGEN of California, STUBBLEFIELD, PURCELL, DAGUE, BELCHER, and TEAGUE of California.

CORRECTION OF VOTE

Mr. WILLIS. Mr. Speaker, on rollcall No. 309 I am recorded as not voting. I was present and voted "yea." I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PROVIDING FOR THE DISPOSITION OF JUDGMENT FUNDS OF THE KLAMATH AND MODOC TRIBES AND YAHOOOSKIN BAND OF SNAKE INDIANS, AND FOR OTHER PURPOSES

Mr. HALEY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 664) to provide for the disposition of the judgment funds of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to distribute in accordance with the provisions of this Act, the funds appropriated in satisfaction of a judgment obtained by the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians, hereinafter called the Klamath Tribe for the purposes of the administration of this Act, from the Indian Claims Commission against the United States in docket numbered 100, and all other funds heretofore or hereafter deposited in the United States Treasury to the credit of the Klamath Tribe or any of its constituent parts or groups, except the funds heretofore or hereafter set aside for the purpose of paying the usual and necessary expenses of prosecuting claims against the United States.

SEC. 2. (a) A distribution shall be made of the funds resulting from docket numbered 100, including interest, after deducting litigation expenses and estimated costs of distribution to all persons whose names appear on the final roll of the Klamath Tribe, which roll was closed and made final as of August 13, 1954 (68 Stat. 718). Except as provided in subsections (b), (c), (d), and (e) of this section, a share or portion of a share payable to a living adult shall be paid directly to such adult; (b) a share payable to a deceased enrollee shall be paid to his heirs or legatees upon the filing of proof of death and inheritance satisfactory to the Secretary of the Interior, whose findings and determinations upon such proof shall be final and conclusive: *Provided*, That amounts payable to deceased heirs amounting to \$5 or less shall not be paid, and such amounts shall remain in the United States Treasury to the credit of the Klamath Tribe; (c) a share payable to an adult under legal disability shall be paid to his legal representa-

DIGEST of Congressional Proceedings

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HIGHLIGHTS: Senate concurred in House amendments to Aiken-Poage water-loans bill.
Senate agreed to conference report on poverty bill.

SENATE

1. WATER; LOANS. Concurred in the House amendments to S. 1766, the Aiken-Poage water-loans bill. This bill will now be sent to the President. The bill authorizes the Department to make or insure loans to public and quasi-public agencies and corporations not operated for profit with respect to water supply, water systems, and waste-disposal systems serving rural areas and to make grants to aid in rural community development planning and in connection with construction of such community facilities. It also increases the authorization for insured real estate loans from \$200,000,000 to \$450,000,000. pp. 24223-4
2. POVERTY. By a 46-22 vote, agreed to the conference report on H. R. 8283, to make various amendments to the Economic Opportunity Act. This bill will now be sent to the President. pp. 24194-6, 24198-216, 24220-7
3. STOCKPILE. Passed without amendment H. R. 10516, to authorize disposal of vegetable tannin extracts from the national stockpile; and as reported H. R. 6852, to authorize disposal of abaca from the stockpile. pp. 24233-4

4. HEMISFAIR. H. R. 9247, to provide for participation in the HemisFair of 1968, was made the unfinished business. pp. 24235-6
5. ADJOURNED until Tues., Sept. 28. p. 24252

HOUSE

6. AIR POLLUTION. Passed with amendments S. 306, to amend the Clean Air Act to require standards for controlling the emission of pollutants from gasoline-powered or diesel-powered vehicles, and to establish a Federal Air Pollution Control Laboratory. pp. 24144-67
Rep. Scheuer stated that there is an increasing need to keep informed of the major developments occurring daily in the field of air and water pollution. pp. 24176-77
7. CONTINUING APPROPRIATIONS. Agreed to make in order next week the consideration of a joint resolution making continuing appropriations for fiscal year 1966. pp. 24167-68
8. RIVERS-HARBORS; FLOOD CONTROL. Conferees were appointed on the rivers-and harbors and flood-control bill, S. 2300. Senate conferees have already been appointed. p. 24169
9. FARM PROGRAM. Rep. Andrews, N. Dak., stated that continuing rain poses a great loss in N. Dak.'s spring wheat crop and urged USDA to "hold back marketing of CCC wheat in order to maintain the better cash market position that will in a small way compensate...for the fewer bushels they will harvest." pp. 24170-1

The "Daily Digest" states that "Conferees continued in executive session to resolve the differences between the Senate- and House-passed versions of H. R. 9811," the farm bill, "and will meet again tomorrow." p. D963

10. SUGAR. Rep. Findley stated that "the cost of the Sugar Act proposal...is staggering," but an aspect "far more distressing than the cost to consumers is the influence of lobbyists," and inserted from the Congressional Quarterly brief sketches of the foreign sugar lobbyists. pp. 24174-75
11. LEGISLATIVE PROGRAM. Rep. Albert announced that next week's program will include the federal pay bill, the highway beautification bill, and the sugar bill. p. 24169
12. ADJOURNED until Mon., Sept. 27. p. 24192

ITEMS IN APPENDIX

13. ELECTRIFICATION; FLOOD CONTROL. Speech in the House by Rep. Dent during debate on the public works bill in which he suggested a careful examination of the proposed power development on the St. John River. pp. A5411-2
14. LOANS. Speeches in the House by Reps. Cooley, Latta, Cramer and Dingell, during debate on the FHA water-loans bill. pp. A5422, A5423, A5429
15. FARM PROGRAM. Extension of remarks of Rep. Morrison commending Secretary Freeman as "one of our greatest agriculture leaders in all of our history" and inserting the Secretary's La. speech, "The Coming Decade In Agriculture." pp. A5423-5

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Farmers.....12	Personnel.....7	

HIGHLIGHTS: House committee reported appropriation continuing resolution.

HOUSE

1. CONTINUING APPROPRIATIONS. The Appropriation Committee reported H. J. Res. 673, making continuing appropriations for the fiscal year 1966 (H. Rept. 1095). p. 2418
2. SUGAR. Rep. Findley criticized the activity of the sugar lobbyists and stated that the proposed sugar legislation "would distribute to certain foreign countries franchises of fantastic value." pp. 24305-9
3. FARM PROGRAM. The "Daily Digest" states that conferees continued in executive session to resolve the differences between the Senate- and House-passed versions of the farm bill and will meet again on Tues. p. D966

ITEMS IN APPENDIX

4. DATA PROCESSING. Extension of remarks of Rep. Brooks inserting an address by Rep. Moorhead in which he discussed the use of computers by the Federal Government and the need for coordination of automatic data processing management on a Government-wide basis. pp. A5445-6

5. POVERTY. Extension of remarks of Rep. Callan stating that 47 percent of the Nation's poverty is in rural areas, urging a full scale war on poverty in rural America and inserting an article on this problem. pp. A5446-8
6. WATER RESOURCE. Rep. Evins inserted letters to the editor in support of the Tims Ford Dam project to be built by TVA in Tenn. pp. A5457-8
7. PERSONNEL; PAY. Extension of remarks of Rep. Mize indicating his support for the 4.5 percent pay increase bill. p. A5458
8. FEDERAL AID. Rep. Chamberlain inserted an article, "In Our Opinion--Juicy Federal Grants Really Are Not Free." pp. A5460-1
9. LABOR STANDARDS. Rep. Martin, Ala., inserted an article, "Minimum Wage Increase--Will it Help or Hurt?" p. A5464
10. INFORMATION. Extension of remarks of Rep. Fraser commending CSC Chairman Macy's "suggestion that the guidelines permitting the release of basic information as to who works for the Federal Government become mandatory upon all agencies," and inserting several articles on the subject. pp. A5465-7
11. WATER LOANS. Speech in the House by Rep. Callan commending the passage of H. R. 10232, the FHA water-loans bill. p. A5468
12. FARMERS. Rep. Purcell inserted another of Don Paarlberg's "Great Myths of Agricultural Policy," entitled, "Everyone Else Is Organized; Farmers Should Be, Too." p. A5469

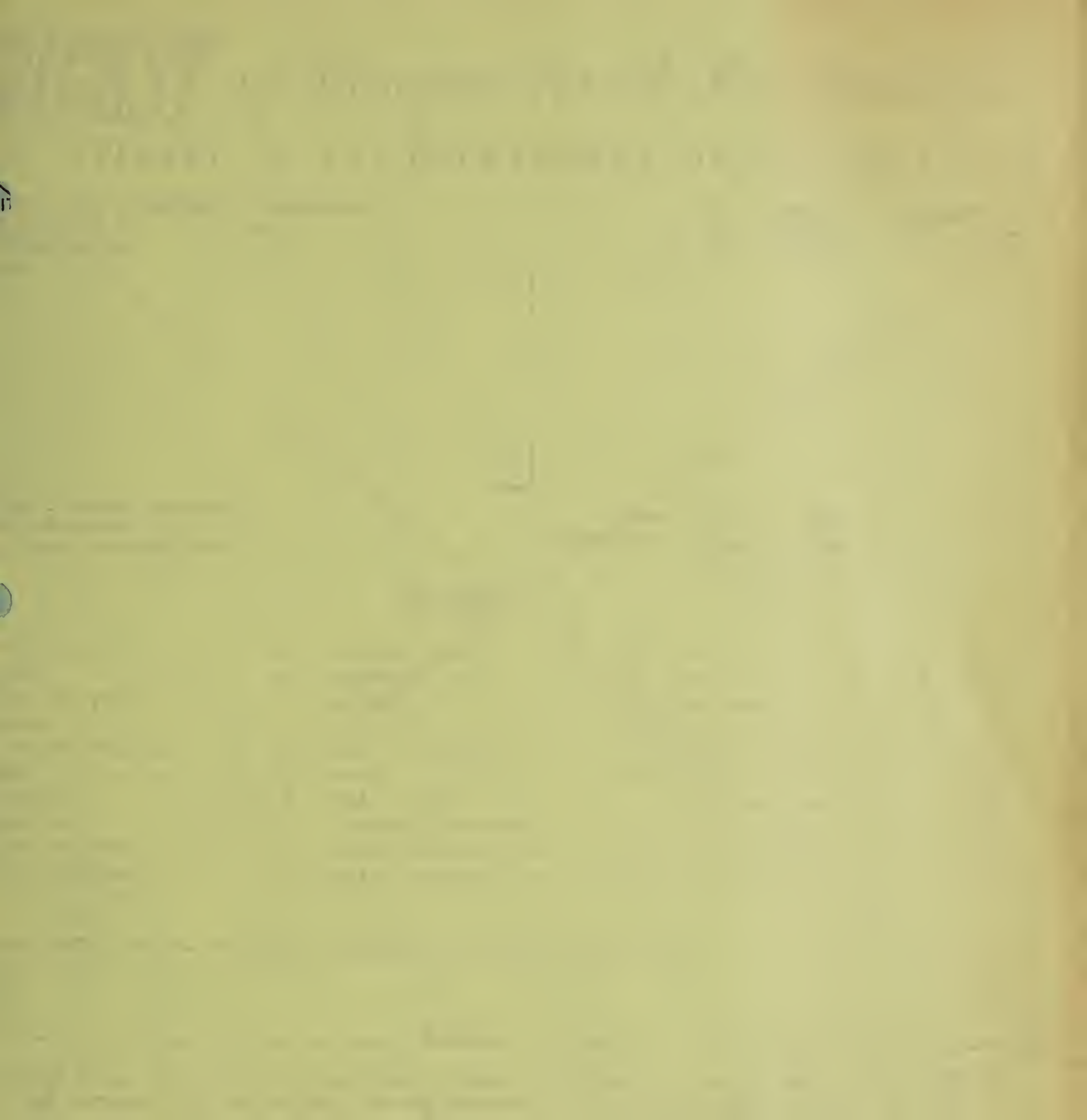
BILLS INTRODUCED

13. PARKWAY. H. R. 11278 by Rep. Boland, to authorize the establishment of the Connecticut River National Parkway and Recreation Areas in the States of Connecticut, Massachusetts, Vermont, and New Hampshire; to Interior and Insular Affairs Committee. Remarks of author, pp. 24315-7
14. FARM LABOR. H. R. 11282 by Rep. Tupper, to amend section 214 of the Immigration and Nationality Act to permit the Attorney General to admit nonimmigrant aliens to the United States for agricultural employment after consultation with a National Committee on Foreign Agricultural Workers; to Judiciary Committee

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COMMITTEE HEARINGS SEPT. 28:
Farm bill, conferees (exec).
Sugar bill, Rules Committee.

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HIGHLIGHTS: House received conference report on farm bill.

HOUSE

1. FARM BILL. Received the conference report on this bill, H. R. 9811. The text of the revised bill is printed in the Record. The bill provides as follows: Removes the necessity for dairymen to produce surplus milk in order to preserve their individual participation in the markets for milk for fluid consumption. Continues the wool program through December 1969 with modifications to increase U. S. production. Continues for 4 years the feed grains program, the one-price cotton program, and the wheat program. Also extends for 4 years authority for leasing tobacco acreage and the exemption of green peanuts from marketing quotas. Permits determination of compliance with acreage allotments through methods other than measurement. Directs the Department to make a study of the parity income position of farmers and report to Congress by June 30, 1966. Authorizes State agencies administering public lands to transfer acreage allotments from one farm to another in the same county. Enacts into law administrative regulations regarding reconstitution of farms. Authorizes use of projected yields in lieu of normal yields in connection with all farm programs. Authorizes use of CCC funds to purchase dairy products when needed. pp. 25206-17

2. SUGAR. Rep. Findley criticized the sugar bill and defended his amendments. pp. 25236-8
3. LABOR STANDARDS. Concurred in a Senate amendment to H. R. 10238, to provide labor standards for certain persons employed by Federal contractors to furnish services to Federal agencies. This bill will now be sent to the President. p. 25205
4. RECLAMATION. Passed as reported H. R. 2020, to authorize the southern Nevada water project. pp. 25218, 25223-30
5. EXHIBITS. Concurred in the Senate amendment to H. R. 9247, to authorize U. S. participation in the HemisFair 1968 Exposition to be held in Tex. This bill will now be sent to the President. p. 25219
6. LEGISLATIVE PROGRAM. Rep. Albert said the highway beautification bill will be considered today and that he was not sure whether the sugar bill will come up this week or not. p. 25242

SENATE

7. BEEF EXPORTS. Sen. Montoya reviewed the efforts of the Small Business Committee to increase American beef exports to Europe and inserted two tables showing the European production and consumption of meat, and the growth of our meat exports to Europe. pp. 25168-70
8. PERSONNEL; RETIREMENT. H. R. 11303, to provide an extension of 30 days for certain civil service retirement annuity increases, was placed on the calendar. p. 25155
9. RURAL INDUSTRY. Sen. Russell, S. C., inserted a speech, "The Rural-Urban Balance," which reviewed the locating of industry in rural areas. pp. 25170-73
10. FOOD STANDARDS. Sen. Miller inserted an article, "Standards for Food: A Uniform World Code is Nearer Despite Some Disputes." p. 25188-90

ITEMS IN APPENDIX

11. PERSONNEL; PAY. Rep. Burleson inserted an article, "Reckless House Action", opposing the Federal pay bill as passed by the House. p. A5601
12. BUDGET; DATA PROCESSING. Rep. Burleson inserted an article favoring computer analysis of the Federal budget and stating that "It would be foolish not to use the newest tools devised to improve the efficiency and effectiveness of self-government." pp. A5605-6
13. HIGHWAYS. Reps. Redlin and Brademas inserted articles supporting the proposed highway beautification program. pp. A5607-8, A5620
14. LEGISLATIVE ACCOMPLISHMENTS. Extension of remarks of Rep. O'Hara inserting an article analyzing the record of legislation enacted by the 1st session of the 89th Congress. pp. A5608-9
15. WATER POLLUTION. Extension of remarks of Rep. Byrnes, Wisc., commending passage of the Water Quality Act and inserting an editorial, "Who's Going To Control Water Pollution?" p. A5610

FOOD AND AGRICULTURE ACT OF 1965

OCTOBER 6, 1965.—Ordered to be printed

Mr. COOLEY, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 9811]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Food and Agriculture Act of 1965".

TITLE I—DAIRY

SEC. 101. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all of clause (d) and inserting in lieu thereof a new clause (d) to read as follows:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers and associations of producers, on the basis of their marketings of milk, which may be adjusted to reflect sales of such milk by any handler or by all handlers in any use classification or classifications, during a representative period of time which need not be limited to one year. In the event a producer holding a base allocated under this clause (d) shall reduce his

marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases. Allocations to producers under this clause (d) may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public, existing producers, and prospective new producers. Any increase in class one base resulting from enlarged or increased consumption and any producer class one bases forfeited or surrendered shall first be made available to new producers and to the alleviation of hardship and inequity among producers. In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision may be made for reducing the allocation of, or payments to be received by, any such producer under this clause (d) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers”;

and by adding at the end of said subparagraph (B) the following: “Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under (d) above shall not become effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16) (B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.”

SEC. 102. Such Act is further amended (a) by adding to subsection 8c(5) the following new paragraph: “(H) Marketing orders applicable to milk and its products may be limited in application to milk used for manufacturing.”; and (b) by amending subsection 8c(18) by adding after the words “marketing area” wherever they occur the words “or, in the case of orders applying only to manufacturing milk, the production area”.

SEC. 103. The provisions of this title shall not be effective after December 31, 1969.

SEC. 104. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this title as it was prior thereto.

TITLE II—WOOL

SEC. 201. The National Wool Act of 1954, as amended, is amended, as follows:

(1) By deleting from section 703 “March 31, 1966” and inserting in lieu thereof “December 31, 1969”.

(2) By changing the period at the end of the third sentence of section 703 to a colon and inserting the following:

"Provided further, That the support price for shorn wool for the 1966 and each subsequent marketing year shall be determined by multiplying 62 cents by the ratio of (i) the average of the parity index (the index of prices paid by farmers, including commodities and services, interest, taxes, and farm wage rates, as defined in section 301 (a) (1) (C) of the Agricultural Adjustment Act of 1938, as amended) for the three calendar years immediately preceding the calendar year in which such price support is determined and announced to (ii) the average parity index for the three calendar years 1958, 1959, and 1960, and rounding the resulting amount to the nearest full cent."

(3) By deleting the fourth sentence of section 703.

TITLE III—FEED GRAINS

SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e):

"(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: Provided, That the acreage on any farm which is diverted from the production of feed grains pursuant to a contract hereafter entered into under the Crop-land Adjustment Program shall be deemed to be acreage diverted from the production of feed grains for purposes of meeting the foregoing requirements for eligibility for price support: Provided further, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price-support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains shall be made available to producers through payments-in-kind. Such payments-in-kind shall be made available on the maximum permitted acreage, or the Secretary may make the same total amount available on a smaller acreage or acreages at a higher rate or rates. The number of bushels of such feed grain on which such payments-in-kind shall be made shall be determined by multiplying that part of the actual acreage of such feed grain planted on the farm for harvest on which

the Secretary makes such payments available by the farm projected yield per acre: Provided, That for purposes of such payments, the Secretary may permit producers of feed grains to have acreage devoted to soybeans considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the price support program: Provided further, That for purposes of such payments, producers on any farm who have planted not less than 90 per centum of the acreage of feed grains permitted to be planted shall be deemed to have planted the entire acreage permitted. Notwithstanding the provisions of subsection (a), that portion of the support price which is made available through loans and purchases for the 1966 through 1969 crops may be reduced below the loan level for the 1965 crop by such amounts and in such stages as may be necessary to promote increased participation in the feed grain program, taking into account increases in yields, but so as not to disrupt the feed grain and livestock economy: Provided, That this authority shall not be construed to modify or affect the Secretary's discretion to maintain or increase total price support levels to cooperators. An acreage on the farm which the Secretary finds was not planted to feed grains because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of feed grains planted for harvest for purposes of such payments provided such acreage is not subsequently planted to any other income-producing crop during such year. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price made available through loans and purchases, plus reasonable carrying charges) in accordance with regulations prescribed by the Secretary and notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. The Secretary shall provide for the sharing of such certificates among producers on the farm on the basis of their respective shares in the feed grain crop produced on the farm, or the proceeds therefrom, except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains, in accordance with the provisions of such program, an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide. In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this subsection (e) and subsection (d) of this section preclude the making of payments-in-kind, the Secretary may, nevertheless, make such payments-in-kind in such amounts as he determines to be equitable in relation to the seriousness of the default."

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

“(i) Notwithstanding any other provision of law—

“(1) For the 1966 through 1969 crops of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, but not in excess of 50 per centum of the estimated basic county support rate, including the lowest rate of payment-in-kind, on the normal production of the acreage diverted from the commodity on the farm based on the farm projected yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term ‘feed grains’ means corn, grain sorghums, and, if designated by the Secretary, barley, and if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term ‘feed grains’ shall include oats and rye and barley if not designated by the Secretary as provided above: Provided, That acreages of corn, grain sorghums, and, if designated by the Secretary, barley, shall not be planted in lieu of acreages of oats and rye and barley if not designated by the Secretary as provided above: Provided further, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall

require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. Notwithstanding any other provision of this subsection (i) (1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection, barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(e) of the Agricultural Act of 1949, who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

“(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959

and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

“(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(i).

“(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

“(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price made available through loans and purchases, plus reasonable carrying charges.

“(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains.”

SEC. 303. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the language beginning with “the requirements” and ending with “Agricultural Act of 1961, and” and substituting therefor “the requirements of any program under which price support is extended or payments are made to farmers, and price support may be extended or”.

TITLE IV—COTTON

Sec. 401. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 348 of the Act is amended by adding the following new sentences at the end thereof: “The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to 1966 crop cotton.”

(2) Section 346 of the Act is amended by adding at the end thereof a new subsection as follows:

“(e) Notwithstanding any other provision of this Act, for the 1966, 1967, 1968, and 1969 crops of upland cotton, if the farm operator elects to forgo price support for any such crop of cotton by applying to the county committee of the county in which the farm is located for additional acreage under this subsection, he may plant an acreage not in excess of the farm acreage allotment established under section

344 plus the acreage apportioned to the farm from the national export market acreage reserve, and all cotton of such crop produced on the farm may be marketed for export free of any penalty under this section: Provided, That the foregoing shall be applicable only to farms which had upland cotton allotments for 1965 and are operated by the same operator as in 1965 or by his heir.

"For the 1966 crop the national export market acreage reserve shall be 250,000 acres. For each subsequent crop—

If the carryover at the end of the marketing year for the preceding crop is estimated to be less than the carryover at the beginning of such marketing year by—	The national export market acreage reserve shall be—
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At least 1,000,000 bales-----	250,000 acres.
At least 750,000 bales, but not as much as 1,000,000 bales-----	187,500 acres.
At least 500,000 bales, but not as much as 750,000 bales-----	125,000 acres.
At least 250,000 bales but not as much as 500,000 bales-----	62,500 acres.
Less than 250,000 bales-----	None.

"The national export market acreage reserve shall be apportioned to farms by the Secretary on the basis of the applications therefor. No application shall be accepted for a greater acreage than is available on the farm for the production of upland cotton. After apportionments are thus made to farms, the Secretary shall provide farm operators a reasonable time in which to cancel their applications (and agreements to forgo price support) and surrender to the Secretary through the county committee the export market acreage assigned to the farm. Acreage so surrendered shall be available for reassignment by the Secretary to other eligible farms to which export market acreage has been apportioned on the basis of the applications remaining outstanding. The operator of any farm who elects to forgo price support for any such crop under this subsection shall not be eligible for price support on cotton of such crop produced on any other farm in which he has a controlling or substantial interest as determined by the Secretary. Acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall not be taken into account in establishing future State, county, and farm acreage allotments. The operator of any farm to which export market acreage is apportioned, or the purchasers of cotton produced on such farm, shall, under regulations issued by the Secretary, furnish a bond or other undertaking prescribed by the Secretary providing for the exportation, without benefit of any Government cotton export subsidy and within such time as the Secretary may specify, of all cotton produced on such farm for such year. The bond or other undertaking given pursuant to this subsection shall provide that, upon failure to comply with the terms and conditions thereof, the person furnishing such bond or other undertaking shall be liable for liquidated damages in an amount which the Secretary determines and specifies in such undertaking will approximate the amount payable on excess cotton under subsection (a). The Secretary may, in lieu of the furnishing of a bond or other undertaking, provide for the payment of an amount equal to that which would be payable as liquidated damages under such bond or other undertaking. If such bond or other undertaking is not furnished, or if payment in lieu thereof is not made as provided herein, at such time and in the manner required by regulations of the Secretary, or if the acreage planted to cotton on the farm exceeds the sum of the farm acreage allotment established under section 344 and the acreage apportioned to the farm from the

national export market acreage reserve, the acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall be regarded as excess acreage for purposes of this section and section 345. Amounts collected by the Secretary under this subsection shall be remitted to the Commodity Credit Corporation.

(3) Section 350 of the Act is amended, effective with the 1966 crop, to read as follows:

"Sec. 350. In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103(d) of the Agricultural Act of 1949, as amended, the Secretary shall determine a national domestic allotment for the 1966, 1967, 1968, and 1969 crops of upland cotton equal to the estimated domestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced. The Secretary shall determine a farm domestic acreage allotment percentage for each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield. The farm domestic acreage allotment shall be established by multiplying the farm acreage allotment established under section 344 by the farm domestic acreage allotment percentage: Provided, That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced; except that in the case of the 1966 crop, such determination shall be made within 15 days after enactment of the Food and Agriculture Act of 1965."

Sec. 402. (a) Section 103 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection at the end thereof:

"(d) (1) Notwithstanding any other provision of this Act, if producers have not disapproved marketing quotas, price support and diversion payments shall be made available for the 1966, 1967, 1968, and 1969 crops of upland cotton as provided in this subsection.

"(2) Price support for each such crop of upland cotton shall be made available to cooperators through loans at such level, not exceeding a level which will reflect for Middling one-inch upland cotton at average location in the United States 90 per centum of the estimated average world market price for Middling one-inch upland cotton for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act: Provided, That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

"(3) The Secretary also shall provide additional price support for each such crop through payments in cash or in kind to cooperators at a rate not less than 9 cents per pound: Provided, That the rate shall be such that the amount obtained by—

(i) multiplying the rate by the farm domestic acreage allotment percentage, and

(ii) dividing the product thus obtained by the cooperator percentage established under section 408(b), and

(iii) adding the result thus obtained to the national average loan rate

shall not be less than 65 per centum or more than 90 per centum of the parity price for cotton as of the month in which the payment rate provided for by this paragraph is announced. Such payments shall be made on the quantity of cotton determined by multiplying the projected farm yield by the acreage planted to cotton within the farm domestic acreage allotment: *Provided, That any such farm planting not less than 90 per centum of such domestic acreage allotment shall be deemed to have planted the entire amount of such allotment. An acreage on a farm in any such year which the Secretary finds was not planted to cotton because of drought, flood, or other natural disaster shall be deemed to be planted to cotton for purposes of payments under this subsection if such acreage is not subsequently devoted to any other income-producing crop in such year.*

“(4) The Secretary shall make diversion payments in cash or in kind in addition to the price support payments authorized in paragraph (3) to cooperators who reduce their cotton acreage by diverting a portion of their cotton acreage allotment from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided, That no reduction below the domestic acreage allotments established under section 350 of the Agricultural Adjustment Act of 1938, as amended, shall be prescribed: Provided further, That payment under this paragraph shall be made available for diverting to conserving uses that part of the acreage allotment which must be diverted from cotton in order that the producer may qualify as a cooperator. The rate of payment for acreage required to be diverted in order to qualify as a cooperator shall not be less than 25 per centum of the parity price for upland cotton as of the month in which such rate is announced. The rate of payment for additional acreage diverted shall be such rate as the Secretary determines to be fair and reasonable, but shall not exceed 40 per centum of such parity price. Payment at each applicable rate shall be made on the quantity of cotton determined by multiplying the acreage diverted from the production of cotton at such rate by the projected farm yield. In addition to the foregoing payment, if any, payment at the rate applicable for acreage required to be diverted to qualify as a cooperator shall be made to producers on small farms as defined in section 408(b) who do not exceed their farm acreage allotments on a quantity of cotton determined by multiplying an acreage equal to 35 per centum of such farm acreage allotment by the projected farm yield.*

“(5) The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance and the balance of such payments shall be made at such time as the Secretary may prescribe.

“(6) Where the farm operator elects to participate in the diversion program authorized in this subsection and no acreage is planted to cotton on the farm, diversion payments shall be made at the rate established under paragraph (4) for acreage required to be diverted to qualify as a cooperator on the quantity of cotton determined by multiplying that part of the farm acreage allotment required to be diverted

to qualify as a cooperator by the projected farm yield, and the remainder of such allotment may be released under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended. The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county, and farm acreage allotments, and farm bases.

“(7) Payments in kind under this subsection shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary at a value per pound equal to not less than the current loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

“(8) Payments under this subsection shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for such payments (hereinafter called “diverted acreage”), and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: Provided, That the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income, subject to the condition that payment under paragraph (4) or (6) with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses.

“(9) The acreage regarded as planted to cotton on any farm which qualifies for payment under this subsection except under paragraph (6) shall, for purposes of establishing future State, county, and farm acreage allotments and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m)(2) thereof.

“(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing diversion payments on a fair and equitable basis under this subsection. The Secretary shall provide for the sharing of price support payments among producers on the farm on the basis of their respective shares in the cotton crop produced on the farm, or the proceeds therefrom, except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable.

“(11) In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this

Act preclude the making of payments under this section, the Secretary may, nevertheless, make such payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(12) Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to cooperators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefor and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

"(13) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall also apply to payments under this subsection.

"(14) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this subsection and to pay administrative expenses necessary in carrying out this subsection."

(b) Section 408(b) of the Agricultural Act of 1949, as amended, is amended, effective only for the 1966 through 1969 crops, by changing the period at the end of the first sentence thereof to a colon and adding the following: "Provided, That for upland cotton a cooperator shall be a producer on whose farm the acreage planted to such cotton does not exceed the cooperator percentage, which shall be in the case of the 1966 crop, 87.5 per centum of such farm acreage allotment and, in the case of each of the 1967, 1968, and 1969 crops, such percentage, not less than 87.5 or more than 100 per centum, of such farm acreage allotment as the Secretary may specify for such crop, except that in the case of small farms (i.e. farms on which the acreage allotment is 10 acres or less, or on which the projected farm yield times the acreage allotment is 3,600 pounds or less, and the acreage allotment has not been reduced under section 344(m)) the acreage of cotton on the farm shall not be required to be reduced below the farm acreage allotment."

Sec. 403. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subparagraphs to paragraph (13) of subsection (b):

"(L) 'Projected national, State, and county yields' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop in the United States, the State and the county, respectively, during each of the five calendar years immediately preceding the year in which such projected yield for the United States, the State, and the county, respectively, is determined, adjusted for ab-

normal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices.

“(M) ‘Projected farm yield’ for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (I) of this paragraph.”

Sec. 404. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: “Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly.”

Sec. 405. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 344 the following new section:

“SEC. 344a. (a) Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the program involved, (1) may permit the owner and operator of any farm for which a cotton acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment (excluding that part of the allotment which the Secretary determines was apportioned to the farm from the national acreage reserve) to any other owner or operator of a farm for transfer to such farm; (2) may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: Provided, That the authority granted under this section may be exercised for the calendar years 1966, 1967, 1968, and 1969, but all transfers hereunder shall be for such period of years as the parties thereto may agree.

“(b) Transfers under this section shall be subject to the following conditions: (i) no allotment shall be transferred to a farm in another State or to a person for use in another State; (ii) no farm allotment may be sold or leased for transfer to a farm in another county unless the producers of cotton in the county from which transfer is being made have voted in a referendum within three years of the date of such transfer, by a two-thirds majority of the producers participating in such referendum, to permit the transfer of allotments to farms outside the county, which referendum, insofar as practicable, shall be held in conjunction with the marketing quota referendum for the commodity; (iii) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the

lienholder; (iv) no sale of a farm allotment shall be permitted if any sale of cotton allotment to the same farm has been made within the three immediately preceding crop years; (v) the total cotton allotment for any farm to which allotment is transferred by sale or lease shall not exceed the farm acreage allotment (excluding reapportioned acreage) established for such farm for 1965 by more than one hundred acres; (vi) no cotton in excess of the remaining acreage allotment on the farm shall be planted on any farm from which the allotment (or part of an allotment) is sold for a period of five years following such sale, nor shall any cotton in excess of the remaining acreage allotment on the farm be planted on any farm from which the allotment (or part of an allotment) is leased during the period of such lease, and the producer on such farm shall so agree as a condition precedent to the Secretary's approval of any such sale or lease; and (vii) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section. Such record may be filed with such committee only during the period beginning June 1 and ending December 31.

"(c) The transfer of an allotment shall have the effect of transferring also the acreage history, farm base, and marketing quota attributable to such allotment and if the transfer is made prior to the determination of the allotment for any year the transfer shall include the right of the owner or operator to have an allotment determined for the farm for such year: Provided, That in the case of a transfer by lease, the amount of the allotment shall be considered for purposes of determining allotments after the expiration of the lease to have been planted on the farm from which such allotment is transferred.

"(d) The land in the farm from which the entire cotton allotment and acreage history have been transferred shall not be eligible for a new farm cotton allotment during the five years following the year in which such transfer is made.

"(e) The transfer of a portion of a farm allotment which was established under minimum farm allotment provisions for cotton or which operates to bring the farm within the minimum farm allotment provision for cotton shall cause the minimum farm allotment or base to be reduced to an amount equal to the allotment remaining on the farm after such transfer.

"(f) The Secretary shall prescribe regulations for the administration of this section, which shall include provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield per acre and such other terms and conditions as he deems necessary.

"(g) If the sale or lease occurs during a period in which the farm is covered by a conservation reserve contract, cropland conversion agreement, cropland adjustment agreement, or other similar land utilization agreement, the rates of payment provided for in the contract or agreement of the farm from which the transfer is made shall be subject to an appropriate adjustment, but no adjustment shall be made in the contract or agreement of the farm to which the allotment is transferred.

"(h) The Secretary shall by regulations authorize the exchange between farms in the same county, or between farms in adjoining counties within a State, of cotton acreage allotment for rice acreage

allotment. Any such exchange shall be made on the basis of application filed with the county committee by the owners and operators of the farms, and the transfer of allotment between the farms shall include transfer of the related acreage history for the commodity. The exchange shall be acre for acre or on such other basis as the Secretary determines is fair and reasonable, taking into consideration the comparative productivity of the soil for the farms involved and other relevant factors. No farm from which the entire cotton or rice allotment has been transferred shall be eligible for an allotment of cotton or rice as a new farm within a period of five crop years after the date of such exchange.

“(i) The provisions of this section relating to cotton shall apply only to upland cotton.”

TITLE V—WHEAT

SEC. 501. Effective beginning with the crop planted for harvest in the calendar year 1966, the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 332 is amended by changing item (iv) in subsection (b) to read: “will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding the estimated quantity of wheat which will be utilized for such purpose as a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962” and by adding the following new subsection:

“(d) Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1966 through 1969, and farm marketing quotas shall not be in effect for such crops of wheat.”

(2) Section 333 is amended to read as follows: “The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop, or if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed.

(3) Subsection (a) of section 334 is amended to read as follows:

“(a) The national allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the States on the basis of the preceding year’s allotment for each such State, including all amounts allotted to the State and including for 1967 the increased acreage in the State allotted for 1966 under section 335, adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties in addition to the county

allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (that is, farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year."

(4) Subsection (b) of section 334 is amended to read as follows:

"(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year's wheat allotment in each such county, including for 1967 the increased acreage in the county allotted for 1966 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors."

(5) Subsection (c) of section 334 is amended by adding new paragraphs (3) and (4) to read as follows:

"(3) Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1967 and any subsequent year shall be the acreage of wheat planted, plus the acreage regarded as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment."

"(4) Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1967 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which wheat has been planted, or is considered to have been planted, for

harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop-rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm, and may be adjusted upward to reflect such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment: Provided, That (i) for the purposes of computing the allotment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by 7 per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary diversion program nor a voluntary certificate program was in effect and there was noncompliance with the farm acreage allotment for such year; (ii) for purposes of clause (i), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion shall be reduced by reducing the allotment for the immediately preceding year by 7 per centum; and (iii) for purposes of clause (i) if the Secretary determines that the reduction in the allotment does not provide fair and equitable treatment to producers on farms following special crop rotation practices, he may modify such reduction in the allotment as he determines to be necessary to provide fair and equitable treatment to such producers."

(6) Subsection (d) of section 334 is repealed.

(7) Subsection (g) of section 334 is amended by striking out the language "except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section" in the first sentence.

(8) Section 335 is amended by adding at the end thereof the following: "This section shall not be applicable to the crops planted for harvest in 1967 and subsequent years."

(9) Section 339(b) is amended (1) by striking out "1964 and 1965 crops of wheat" and substituting "crops of wheat planted for harvest in the calendar years 1964 through 1969"; and, (2) by striking out of the third sentence "20 per centum of the farm acreage allotment" and "fifteen acres" and substituting "50 per centum of the farm acreage allotment" and "twenty-five acres", respectively.

(10) Section 339(e) is amended to read as follows: "(e) The Secretary may permit all or any part of the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop

shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: Provided, That in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses."

SEC. 502. Effective only with respect to the crops of wheat planted for harvest in the calendar years 1966 through 1969, and the marketing years for such crops, section 379b is amended to read as follows:

"SEC. 379b. A wheat marketing allocation program as provided in this subtitle shall be in effect for the marketing years for the crops planted for harvest in the calendar years 1966 through 1969. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat he estimates will be used during such year for food products for consumption in the United States, but the amount of wheat included in the marketing allocation for food products for consumption in the United States shall not be less than five hundred million bushels, and (2) the national allocation percentage for such year which shall be the percentage which, when applied to the farm as provided in this section, will result in marketing certificates being issued to producers in the amount of the national wheat marketing allocation. The cost of any domestic marketing certificates issued to producers in excess of the number of certificates acquired by processors as a result of the application of the five hundred million bushel minimum or an overestimate of the amount of wheat used during such year for food products for consumption in the United States shall be borne by Commodity Credit Corporation. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage."

SEC. 503. Effective beginning with the 1970 crop, section 379b is amended by striking out "normal yield of wheat for the farm as determined by the Secretary" and substituting "projected farm yield".

SEC. 504. (a) Effective upon the enactment of this Act, section 379d(b) is amended by striking out the third sentence and substituting the following: "The Secretary may exempt from the requirements of this subsection wheat exported for donation abroad and other non-commercial exports of wheat, wheat processed for use on the farm where grown, wheat produced by a State or agency thereof and processed for use by the State or agency thereof, wheat processed for donation, and wheat processed for uses determined by the Secretary to be noncommercial. Such exemptions may be made applicable with respect to any wheat processed or exported beginning July 1, 1964. There shall be exempt from the requirements of this subsection beverage distilled from wheat prior to July 1, 1964. A beverage distilled from wheat after July 1, 1964, shall be deemed to be removed for sale or consumption at the time it is placed in barrels for aging except that upon the giving of a bond as prescribed by the Secretary, the purchase of and payment for such marketing certificates as may be required may be deferred until such beverage is bottled for sale. Wheat shipped to a Canadian port for storage in bond, or storage under a similar arrangement, and subsequent exportation, shall be

deemed to have been exported for purposes of this subsection when it is exported from the Canadian port."

(b) Section 379d(d) is amended by inserting after the word "flour" the following: "(excluding flour second clears not used for human consumption as determined by the Secretary)", and by inserting at the end thereof the following: "The Secretary may at his election administer the exemption for wheat processed into flour second clears through refunds either to processors of such wheat or to the users of such clears. For the purpose of such refunds, the wheat equivalent of flour second clears may be determined on the basis of conversion factors authorized by section 379f of the Agricultural Adjustment Act of 1938, even though certificates had been surrendered on the basis of the weight of the wheat."

This subsection shall be effective as to products sold, or removed for sale or consumption on or after sixty days following enactment of this Act, unless the Secretary shall by regulation designate an earlier effective date within such sixty-day period.

(c) Section 379d(b) is amended by adding at the end thereof the following: "Whenever the face value per bushel of domestic marketing certificates for a marketing year is different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary may require marketing certificates issued for the preceding marketing year to be acquired to cover all wheat processed into food products during such preceding marketing year even though the food product may be marketed or removed for sale or consumption after the end of the marketing year."

(d) Section 379g is amended by inserting "(a)" after "SEC. 379g" and adding a new subsection (b) as follows:

"(b) Whenever the face value per bushel of domestic marketing certificates for a marketing year is substantially different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary is authorized to take such action as he determines necessary to facilitate the transition between marketing years. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to sell certificates to persons engaged in the processing of wheat into food products covering such quantities of wheat, at such prices, and under such terms and conditions as the Secretary may by regulation provide. Any such certificate shall be issued by Commodity Credit Corporation."

SEC. 505. The Agricultural Act of 1964 is amended as follows:

(1) Amendment (7) of section 202 is amended by striking out "1964 and 1965" and substituting "the calendar years 1964 through 1969".

(2) Amendment (13) of section 202 is amended by striking out "only with respect to the crop planted for harvest in the calendar year 1965" and substituting "with respect to the crops planted for harvest in the calendar years 1965 through 1969".

(3) Section 204 is amended by striking out "1964 and 1965" and substituting "1964 through 1969".

SEC. 506. Effective only with respect to the 1966 through 1969 crops, section 107 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445a), is amended to read as follows:

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, for any marketing year—

"(1) (a) Price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, and (b) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(2) notwithstanding the provisions of paragraph (1), for the 1966 crop, price support for wheat accompanied by domestic marketing certificates shall be at 100 per centum of the parity price therefor, and price support for wheat not accompanied by marketing certificates shall be not less than \$1.25 per bushel. For any crop of wheat planted for harvest during the calendar years 1967 through 1969 for which the diversion factor established pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, is not less than 10 per centum, the total average rate of return per bushel made available to a cooperator on the estimated production of his allotment based on projected yield through loans, domestic marketing certificates, estimated returns from export marketing certificates, and diversion payments for acreage diverted pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, shall not be less than the total average rate of return per bushel made available to cooperators through loans and domestic marketing certificates for the 1966 crop.

"(3) Price support shall be made available only to cooperators, and

"(4) A 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored."

SEC. 507. Effective beginning with the crop planted for harvest in the calendar year 1967, section 339(a) (1) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the words "national acreage allotment", wherever they appear, the following: "(less an acreage equal to the increased acreage allotted for 1966 pursuant to section 335)".

SEC. 508. Effective beginning with the crop planted for harvest in the calendar year 1966, section 379c(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the pe-

riod at the end of the third sentence thereof a semicolon and the following: "except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable.", and by adding at the end thereof the following: "An acreage on the farm not planted to wheat because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of wheat planted for harvest for purposes of this subsection provided such acreage is not subsequently planted to any other income-producing crops during such year. Producers on any farm who have planted not less than 90 per centum of the acreage of wheat required to be planted in order to earn the full amount of marketing certificates for which the farm is eligible shall be deemed to have planted the entire acreage required to be planted for that purpose."

SEC. 509. Section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Paragraph (8) is amended by inserting "(A)" after "(8)" and adding the following new subparagraph:

"(B) 'Projected national yield' as applied to any crop of wheat shall be determined on the basis of the national yield per harvested acre of the commodity during each of the five calendar years immediately preceding the year in which such projected national yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices."

(2) Paragraph (13) is amended by adding the following new subparagraphs:

"(J) 'Projected county yield' for any crop of wheat shall be determined on the basis of the yield per harvested acre of such commodity in the county during each of the five calendar years immediately preceding the year in which such projected county yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices."

"(K) 'Projected farm yield' for any crop of wheat shall be determined on the basis of the yield per harvested acre of such commodity on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (E) of this paragraph."

SEC. 510. (a) Section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the 1966 crop, by striking out of the fifth sentence the words "normal yield of wheat per acre established for the farm" and substituting therefor the words "projected farm yield".

(b) Section 379i of the Agricultural Adjustment Act of 1938, as amended, is amended, effective as of the effective date of the original enactment of that section, by inserting in subsections (a) and (b) after the word "who", wherever it appears, the word "knowingly".

SEC. 511. (a) Effective beginning with the crop planted for harvest in 1966, paragraph (9) of section 301(b) of the Agricultural Adjust-

ment Act of 1938, as amended, is amended by striking out "cotton" and "wheat" and by adding at the end thereof the following: "'Normal production' as applied to any number of acres of cotton or wheat means the projected farm yield times such number of acres."

(b) Public Law 74, Seventy-seventh Congress, as amended, is amended by changing the words "normal yield of wheat per acre established for the farm" in paragraph (1) to the words "projected farm yield".

SEC. 512. The national, State, county, and farm acreage allotments for the 1966 crop of wheat shall be established in accordance with the provisions of law in effect prior to the enactment of this Act.

SEC. 513. (a) Section 379d(b) of the Agricultural Adjustment Act of 1938 is amended by striking out the second sentence and substituting the following: "The cost of the export marketing certificates per bushel to the exporter shall be that amount determined by the Secretary on a daily basis which would make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States."

(b) Section 379c(a) of such Act is amended by striking out everything in the next to the last sentence beginning with the words "United States" and substituting the following: "United States. The Secretary shall also provide for the issuance of export marketing certificates to eligible producers at the end of the marketing year on a pro rata basis. For such purposes, the value per bushel of export marketing certificates shall be an average of the total net proceeds from the sale of export marketing certificates during the marketing year after deducting the total amount of wheat export subsidies paid to exporters."

(c) Section 379c(c) of such Act is amended by striking out "and the face value per bushel of export certificates shall be the amount by which the level of price support for wheat accompanied by export certificates exceeds the level of price support for noncertificate wheat".

SEC. 514. Section 328 of the Food and Agriculture Act of 1962 is amended by adding to the end thereof the following: "In establishing terms and conditions for permitting wheat to be planted in lieu of oats and rye, the Secretary may take into account the number of feed units per acre of wheat in relation to the number of feed units per acre of oats and rye."

SEC. 515. Section 379c of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the crop planted for harvest in the calendar year 1964, by adding the following subsection:

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this Act preclude the issuance of marketing certificates, the Secretary may, nevertheless, issue such certificates in such amounts as he determines to be equitable in relation to the seriousness of the default."

SEC. 516. Section 379e of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1966 through the 1969 wheat crops to persons engaged in the processing of food products at the face value thereof less any

amount by which price support for wheat accompanied by domestic certificates exceeds \$2 per bushel."

SEC. 517. Subsection (b) of section 379c of the Agricultural Adjustment Act of 1938 is amended by inserting immediately preceding the words "stored" wherever it appears, in the fourth through the sixth sentences, the words "delivered to the Secretary or", and by adding at the end thereof the following: "Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce. Notwithstanding any other provision of this Act, the Secretary may provide that a producer shall not be eligible to receive marketing certificates, or may adjust the amount of marketing certificates to be received by the producer, with respect to any farm for any year in which a variety of wheat is planted on the farm which has been determined by the Secretary, after consultation with State Agricultural Experiment Stations, agronomists, cereal chemists and other qualified technicians, to have undesirable milling or baking qualities and has made public announcement thereof."

TITLE VI—CROPLAND ADJUSTMENT

SEC. 601. The Soil Bank Act of 1956, as amended, is hereby repealed, except that it shall remain in effect with respect to contracts entered into prior to such repeal.

SEC. 602. (a) Notwithstanding any other provision of law, for the purpose of reducing the costs of farm programs, assisting farmers in turning their land to nonagricultural uses, promoting the development and conservation of the Nation's soil, water, forest, wildlife, and recreational resources, establishing, protecting, and conserving open spaces and natural beauty, the Secretary of Agriculture is authorized to formulate and carry out a program during the calendar years 1965 through 1969 under which agreements would be entered into with producers as hereinafter provided for periods of not less than five nor more than ten years. No agreement shall be entered into under this section concerning land with respect to which the ownership has changed in the three-year period preceding the first year of the agreement period unless the new ownership was acquired by will or succession as a result of the death of the previous owner, or unless the new ownership was acquired prior to January 1, 1965, under other circumstances which the Secretary determines, and specifies by regulation, will give adequate assurance that such land was not acquired for the purpose of placing it in the program: Provided, That this provision shall not be construed to prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this section: Provided further, That the Secretary shall not require a person who has operated the land to be covered by an agreement under this section for as long as three years preceding the date of the agreement and who controls the land for the agreement period to own the land as a condition of eligibility for entering into the agreement."

(b) The producer shall agree (1) to carry out on a specifically designated acreage of land on the farm regularly used in the produc-

tion of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage and which have been planted within five years preceding the date of the agreement), hereinafter called "designated acreage", and maintain for the agreement period practices or uses which will conserve soil, water, or forest resources, or establish or protect or conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution, in such manner as the Secretary may prescribe (priority being given to the extent practicable to practices or uses which are most likely to result in permanent retirement to noncrop uses); (2) to maintain in conserving crops or uses or allow to remain idle throughout the agreement period the acreage normally devoted to such crops or uses; (3) not to harvest any crop from or graze the designated acreage during the agreement period, unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing or harvesting of such acreage, determines that it is necessary to permit grazing or harvesting in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing or harvesting subject to an appropriate reduction in the rate of payment; and (4) to such additional terms and conditions as the Secretary determines are desirable to effectuate the purposes of the program, including such measures as the Secretary may deem appropriate to keep the designated acreage free from erosion, insects, weeds, and rodents. Agreements entered into under which 1966 is the first year of the agreement period (A) shall require the producer to divert from production all of one or more crops designated by the Secretary; and (B) shall not provide for diversion from the production of upland cotton in any county in which the county committee by resolution determines, and requests of the Secretary, that there should not be such diversion in 1966.

(c) Under such agreements the Secretary shall (1) bear such part of the average cost (including labor) for the county or area in which the farm is situated of establishing and maintaining authorized practices or uses on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of the program, but not to exceed the average rate for comparable practices or uses under the agricultural conservation program, and (2) make an annual adjustment payment to the producer for the period of the agreement at such rate or rates as the Secretary determines to be fair and reasonable in consideration of the obligations undertaken by the producers. The rate or rates of annual adjustment payments as determined hereunder may be increased by an amount determined by the Secretary to be appropriate in relation to the benefit to the general public of the use of the designated acreage if the producer further agrees to permit, without other compensation, access to such acreage by the general public, during the agreement period, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary and the producer may agree that the annual adjustment payments for all years of the agreement period shall be made either upon approval of the agreement or in such installments as they may agree to be desirable: Provided, That for each year any annual adjustment payment is made in advance of performance, the annual adjustment payment shall be reduced by 5 per centum. The Secretary may pro-

vide for adjusting any payment on account of failure to comply with the terms and conditions of the program.

(d) The Secretary shall, unless he determines that such action will be inconsistent with the effective administration of the program, use an advertising and bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under contract in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community.

(e) The annual adjustment payment shall not exceed 40 per centum of the estimated value, as determined by the Secretary, on the basis of prices in effect at the time the agreement is entered into, of the crops or types of crops which might otherwise be grown. The estimated value may be established by the Secretary on a county, area, or individual farm basis as he deems appropriate.

(f) The Secretary may terminate any agreement with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements as he may determine to be desirable to carry out the purposes of the program or facilitate its administration.

(g) Notwithstanding any other provision of law, the Secretary of Agriculture may, to the extent he deems it desirable, provide by appropriate regulations for preservation of cropland, crop acreage, and allotment history applicable to acreage diverted from the production of crops in order to establish or maintain vegetative cover or other approved practices for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation or for participation in such program. Subsections (b)(3) and (4) and (e)(6) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, are repealed, except that all rights accruing thereunder to persons who entered into contracts or agreements prior to such repeal shall be preserved.

(h) In carrying out the program, the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

(i) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action.

(j) *The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action.*

(k) *In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1966 through June 30, 1968 or during the period June 30, 1968 through December 31, 1969, enter into agreements with producers which would require payments to producers in any calendar year under such agreements in excess of \$225,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such prior fiscal years. For purposes of applying this limitation, the annual adjustment payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made.*

(l) *The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this program, including payment of costs of administration: Provided, That after December 31, 1966, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this title unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this title. There are hereby authorized to be appropriated such sums as may be necessary to carry out the program, including such amounts as may be required to make payments to the Corporation for its actual costs incurred or to be incurred under this program.*

(m) *In case any producer who is entitled to any payment or compensation dies, becomes incompetent, or disappears before receiving such payment or compensation, or is succeeded by another who renders or completes the required performance, the payment or compensation shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and so provide by regulations.*

(n) *The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments or compensation under this program.*

(o) *The acreage on any farm which is diverted from the production of any commodity pursuant to an agreement hereafter entered into under this title shall be deemed to be acreage diverted from that commodity for the purposes of any commodity program under which diversion is required as a condition of eligibility for price support.*

(p) *The Secretary may, without regard to the civil service laws, appoint an Advisory Board on Wildlife to advise and consult on matters relating to his functions under this title as he deems appropriate. The Board shall consist of twelve persons chosen from members of wildlife organizations, farm organizations, State game and fish agencies, and representatives of the general public. Members of*

such Advisory Board who are not regular full-time employees of the United States shall not be entitled to any compensation or expenses.

(g) The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

TITLE VII—MISCELLANEOUS

SEC. 701. Section 374(a) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

“(a) The Secretary shall provide for ascertaining, by measurement or otherwise, the acreage of any agricultural commodity or land use on farms for which the ascertainment of such acreage is necessary to determine compliance under any program administered by the Secretary. Insofar as practicable, the acreage of the commodity and land use shall be ascertained prior to harvest, and, if any acreage so ascertained is not in compliance with the requirements of the program the Secretary, under such terms and conditions as he prescribes, may provide a reasonable time for the adjustment of the acreage of the commodity or land use to the requirements of the program.”

SEC. 702. Section 374(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the first sentence thereof.

SEC. 703. Subsection (a) of section 316 of the Agricultural Adjustment Act of 1938, as amended, is amended (i) by striking out of the first sentence thereof “1962, 1963, 1964, and 1965,” and inserting “1962 through 1969” and (ii) by striking out of the last sentence thereof “1964 or 1965” and inserting “1964 through 1969”.

Notwithstanding the provisions of subsection 316(c) and subsection 317(f) relating to lease and transfer of allotments for years subsequent to 1965, of the Agricultural Adjustment Act of 1938, as amended, whenever acreage-poundage quotas are in effect for any kind of tobacco as provided in section 317 of the Act, except in the case of burley tobacco, and other kinds of tobacco not subject to section 316, the lease and transfer shall be on a pound for pound basis and the acreage allotment for the lessee farm shall be increased by an amount determined by dividing the number of pounds leased by the farm yield for the lessee farm, and the acreage allotment for the lessor farm shall be reduced by an amount determined by dividing the number of pounds leased by the farm yield for the lessor farm.

SEC. 704. The last paragraph of the Act entitled “An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes”, approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows:

“This amendment shall be effective for the 1957 through 1969 crops of peanuts.”

SEC. 705. The Secretary of Agriculture shall make a study of the parity income positions of farmers, including the development of criteria for measuring parity income of commercial family farmers and the feasibility of adapting such criteria to major types of farms and to selected counties. The Secretary shall report the results of such study to the Congress not later than June 30, 1966.

SEC. 706. Notwithstanding any other provision of law, the Secretary, upon the request of any agency of any State charged with the administration of the public lands of the State, may permit the trans-

fer of acreage allotments or feed grain bases together with relevant production histories which have been determined pursuant to the Agricultural Adjustment Act of 1938, as amended, or section 16 of the Soil Conservation and Domestic Allotment Act, as amended, from any farm composed of public lands to any other farm or farms in the same county composed of public lands: Provided, That as a condition for the transfer of any allotment or base an acreage equal to or greater than the allotment or base transferred prior to adjustment, if any, shall be devoted to and maintained in permanent vegetative cover on the farm from which the transfer is made. The Secretary shall prescribe regulations which he deems necessary for the administration of this section, which may provide for adjusting downward the size of the allotment or base transferred if the farm to which the allotment or base is transferred normally has a higher yield per acre for the commodity for which the allotment or base is determined, for reasonable limitations on the size of the resulting allotments and bases on farms to which transfers are made, taking into account the size of the allotments and bases on farms of similar size in the community, and for retransferring allotments or bases and relevant histories if the conditions of the transfer are not fulfilled.

SEC. 707. The Agricultural Adjustment Act of 1938, as amended, is amended by inserting after section 378 the following new section:

"RECONSTITUTION OF FARMS

"SEC. 379. In any case in which the ownership of a tract of land is transferred from a parent farm, the acreage allotments, history acreages, and base acreages for the farm shall be divided between such tract and the parent farm in the same proportion that the cropland acreage in such tract bears to the cropland acreage in the parent farm, except that the Secretary shall provide by regulation the method to be used in determining the division, if any, of the acreage allotments, histories, and bases in any case in which—

"(1) the tract of land transferred from the parent farm has been or is being transferred to any agency having the right to acquire it by eminent domain;

"(2) the tract of land transferred from the parent farm is to be used for nonagricultural purposes;

"(3) the parent farm resulted from a combination of two or more tracts of land and records are available showing the contribution of each tract to the allotments, histories, and bases of the parent farm;

"(4) the appropriate county committee determines that a division based on cropland proportions would result in allotments and bases not representative of the operations normally carried out on any transferred tract during the base period; or

"(5) the parent farm is divided among heirs in settling an estate.

"(6) neither the tract transferred from the parent farm nor the remaining portion of the parent farm receives allotments in excess of allotments for similar farms in the community having allotments of the commodity or commodities involved and such

allotments are consistent with good land uses, but this clause (6) shall not be applicable in the case of burley tobacco."

SEC. 708. Notwithstanding any other provision of law, in the determination of farm yields the Secretary may use projected yields in lieu of normal yields. In the determination of such yields the Secretary shall take into account the actual yield proved by the producer for the base period used in determining the projected yield, and the projected yield shall not be less than such actual yield proved by the producer.

SEC. 709. The Secretary of Agriculture is hereby authorized to use funds of the Commodity Credit Corporation to purchase sufficient supplies of dairy products at market prices to meet the requirements of any programs for the schools (other than fluid milk in the case of schools), domestic relief distribution, community action, foreign distribution, and such other programs as are authorized by law, when there are insufficient stocks of dairy products in the hands of Commodity Credit Corporation available for these purposes.

TITLE VIII—RICE

SEC. 801. Section 353(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new paragraph at the end thereof:

"(7) If the national acreage allotment for rice for 1966, 1967, 1968, or 1969 is less than the national acreage allotment for rice for 1965, the Secretary shall formulate and carry out an acreage diversion program for rice for such year designed to support the gross income of rice producers at a level not lower than that for 1965, minus any reduction in production costs resulting from the reduced rice acreage. Under such program conservation payments shall be made to producers who comply with their rice acreage allotments, devote to an approved conservation use an acreage of cropland on the farm equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor, and comply with such additional terms and conditions as the Secretary may prescribe. The diversion factor shall be determined by dividing the number of acres by which the national acreage allotment is reduced below the national acreage allotment for 1965 by the number of acres in the national acreage allotment. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops; but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. Such program shall require the producer to take such measures as the Secretary may deem appropriate to

keep such diverted acreage free from erosion, insects, weeds, and rodents. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. The Secretary shall provide for the sharing of payments under this paragraph among producers on the farm on a fair and equitable basis as determined by the Secretary. The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this paragraph and to pay administrative expenses necessary in carrying out this paragraph."

SEC. 802. Section 403 of the Agricultural Act of 1949, as amended, is amended by inserting at the end thereof the following: "In determining support prices for the 1966 and 1967 crops of rice the Secretary shall, notwithstanding the foregoing or any other provision of law, use head and broken rice value factors for the various varieties which (1) are not lower than those used with respect to the 1965 crop, and (2) do not differ as between any two varieties by a greater amount than the value factors used with respect to the 1965 crop for such two varieties differed."

And the Senate agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
WATKINS M. ABBITT,
HARLAN HAGEN,
FRANK A. STUBBLEFIELD,
GRAHAM PURCELL,

Managers on the Part of the House.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
HERMAN E. TALMADGE,
MILTON R. YOUNG,
JOHN SHERMAN COOPER,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 9811, to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The Senate struck out all after the enacting clause of H.R. 9811 and substituted a Senate amendment which, while dealing with the same subject matter, differed from it in several major respects. The amendment herewith reported embodies the agreement of the conferees on the various points of difference in the House bill and the Senate amendment and was agreed to by the conferees as a substitute for the Senate amendment.

The conference substitute follows the structure of the House bill as to the order and arrangement of titles. It adds at the end a title relating to rice which was not in the House bill.

Following is a summary of the substitute amendment as agreed to by the conferees:

TITLE I—DAIRY

The class I dairymen's base plan embraced in the first title seeks to reduce surplus milk production and stabilize the income of dairy farmers in the 75 Federal milk order areas by removing the necessity for dairymen to produce surplus milk in order to preserve their individual participation in the markets for milk for fluid consumption.

The conference adopted all of title I of the House bill which includes provisions dealing with (a) individual voting in a farmer referendum on the class I base plan, (b) leaving the legal status of producer-handlers unchanged, (c) authorizing marketing orders for manufacturing milk, and (d) entry of new producers into class I base plan order markets.

Two Senate dairy provisions were adopted. These deal with (a) an "antidumping" provision to prevent disruption of other markets, and (b) allowing the Commodity Credit Corporation to purchase dairy products (except fluid milk for schools) for domestic and foreign donation programs even though these dairy products are not in the CCC inventory. The latter authority appears in the miscellaneous title of the bill.

TITLE II—WOOL

Continues the National Wool Act of 1954 through December 31, 1969, with modifications intended to increase the production of wool

in the United States. The conference accepted the Senate formula for the minimum price support floor. This would fix the support level for shorn wool at the present level of 62 cents a pound increased by the same percentage as the percentage increase in the parity index. This would fix the support price at 65 cents a pound for 1966, about 66 cents for 1967, with the support levels for 1968 and 1969 depending on further changes in the parity index. The Senate provision on small flocks was deleted.

TITLE III—FEED GRAINS

This title continues for 4 years the provisions of the present feed grains program for price-support loans, purchases, and in-kind payments to program participants at about the same levels of recent years. Participants by diverting acreage from feed grain production to conservation uses would receive, as in the past, payments in kind to help maintain income.

The conference accepted the House bill with the Senate amendment which permits the Secretary to set the total price support (both loan and payments) at a range between 65 and 90 percent of parity. The House had set a minimum loan of 65 percent of parity. The change allows the Secretary to lower the present loan and increase the present price-support payment. The Senate provision authorizing an alternative feed grain program was deleted by the conference.

A requirement of the feed grain, cotton, and wheat programs is that land taken out of the production of these crops be devoted to conservation uses. Each farm has established a conservation base which is the average acreage of conserving uses on the farm for 1959 and 1960. Since 1963, noncropland which has been cleared and made into cropland has been added to the conservation base. The Department of Agriculture has agreed for 1966 that the farm conservation base will not reflect the acreage of noncropland brought into a cropland status since the base period 1959–1960, if such new cropland was not devoted to the production of crops in surplus. This means that this new cropland which has been devoted to the production of soybeans will not be added to the conserving base.

TITLE IV—COTTON

The one-price cotton program, wherein American mills buy U.S. cotton at the same price it is offered to foreign mills, is extended for 4 years, through 1969, with modifications. The conference substitute provides:

(1) Continuation of the 16-million-acre national minimum allotment for cotton, but establishes a domestic allotment within the farm allotment which will be not less than 65 percent of each farm allotment.

(2) Mandatory 12½-percent reduction for 1966 (instead of 15 percent in the House bill) from the farm acreage allotment for each farmer participating in the program, except for small farmers who are exempt from mandatory acreage cuts and receive special treatment with respect to income. After 1966 the extent of mandatory reduction will be not more than 12½ percent, as determined by the Secretary.

(3) Loans to cooperators at not more than 90 percent of the estimated average world market price for cotton (1966—21 cents), avail-

able on the actual production of cooperators, plus price-support payments to these cooperators, in an amount calculated to reflect not less than 65 percent of parity on the projected yield of their acreage permitted to be devoted to cotton.

(4) Payments for retired acreage at the rate of not less than 25 percent of the parity price multiplied by the projected yield of the acreage required to be retired (up to 40 percent of parity on the balance) the farmer (except those under the small farm exemption) being required to retire $12\frac{1}{2}$ percent of his effective allotment and having the option of retiring an additional $22\frac{1}{2}$ percent of his allotment, to a total of 35 percent.

(5) A small farm exception stipulating that there will not be mandatory reduction in the acreage of farmers with allotments of 10 acres or less or for those farmers whose projected yield of the farm allotment is 3,600 pounds or less, that these small farmers will receive on their production the same level of price support provided for other producers without making the reduction required of other producers, and a land retirement payment as if they had reduced their acreage by 35 percent. If a small farmer chooses to reduce his acreage to any level down to 65 percent of his allotment, he will receive an additional diversion payment at the rate for voluntary diversion on this acreage.

(6) Any producer with an allotment may stay out of the program, receive no price support or payments, and plant and sell cotton into export without penalty, with the national total of such nonprogram acreage not to exceed 250,000 acres in 1966 and with a stipulation that this total would be reduced in 1967, 1968, and 1969 unless there is a proportionate reduction in the national carryover of cotton.

(7) Allotted cotton acreage released by farmers not wanting to plant any cotton in a given year may be reapportioned to other farmers within the county or in other counties within the State if not wanted within the county where released. Farmers releasing $87\frac{1}{2}$ percent of their allotments for reapportionment would be eligible for diversion payments on $12\frac{1}{2}$ percent of the allotment.

(8) Sale or lease of cotton acreage allotments between farmers is authorized within a county, or in other counties of the same State if farmers within the county approve in a referendum the movement of allotments to purchasers in other counties.

(9) Cotton farmers may assign their direct price support and diversion payments to private lending agencies in obtaining production loans.

(10) Exchange of rice and cotton allotments, within a county or an adjoining county, is authorized under terms and conditions approved by the Secretary.

(11) The price support payment is to be made one-half at the time the farmer signs up for the program, and the time of the second half of the payment is left to the Secretary's discretion. The House conferees receded from the position that the balance of payments to producers may be made only when the producer divests himself of interest in the cotton and concurred in the provision that the balance of such payments shall be made at such time as the Secretary may determine.

The committee of conference emphasizes, however, that the programs authorized by the bill are designed to move cotton into trade channels for domestic consumption and export. Reduced use of the

CCC price-support loan program is contemplated. In any instance where the Secretary finds that warehousemen, marketing associations, merchants, or others engaged in handling cotton for producers, or participating in the program to make price support loans available to producers, are taking actions which encourage undue entries of cotton into the loan program, the Secretary shall take such corrective measures as may be necessary.

One of the major purposes of the bill is to reduce domestic production of cotton. Strong incentives are provided in the form of direct payments to producers who cooperate by planting less than their allotted cotton acreages. Very few farmers will forgo participating in the program. If this approach proves effective, production will be less than domestic consumption and exports and the surplus stocks held by CCC can be gradually liquidated with minimum adverse effects on world markets. Reduced stocks in the United States will, of course, result in a better supply-demand balance for cotton on a world-wide basis. This will benefit all countries which produce cotton.

The bill represents a significant step toward establishing a free market for cotton in the United States. It is a step toward doing what other countries have been asking the United States to do for many years. The new CCC loan rate will no longer constitute an incentive to farmers to produce unneeded supplies of cotton.

With the loan rate at 21 cents for the 1966 crop and at not more than 90 percent of the estimated world price for 1967, 1968, and 1969, most of the annual production would be expected to move directly to market through normal commercial channels of trade, with CCC having a substantially reduced role in making loans and merchandising cotton. Many foreign cotton-producing countries have expressed an interest in this arrangement for U.S. cotton.

Under the new program the U.S. export price for cotton is expected to be more competitive with prices in other exporting countries. The U.S. Government's cotton policy will be administered in a responsible manner as in the past. It is not the intention of the Congress that large quantities of CCC stocks be dumped on world markets at fire-sale prices.

TITLE V—WHEAT

This title authorizes continuation of the voluntary wheat certificate program for 4 years with modifications of current provisions aimed at boosting wheat farmers' income by about \$200 million a year, and providing more freedom in the marketing system. Basically, it would call for a wheat program for the 1966 through 1969 period similar to the one in effect for the 1964 and 1965 crops.

The significant change from current operations would provide for price support for wheat used domestically as food at 100 percent of parity, and a variable export certificate, to supplement wheat farmers' income. The support price for wheat for domestic food use would be increased about 57 cents a bushel to around \$2.57. This increase would be accomplished by Government payments of 57 cents a bushel. Domestic wheat users would continue to purchase certificates at the difference between the loan rate and \$2 a bushel on the amount of wheat used.

The conference bill increases the total price support on wheat about 31½ cents a bushel over the House bill, to achieve a minimum support

level of \$1.84½ per bushel for wheat during each of the next 4 years. The escalated "domestic certificate" provision, in the Senate bill—relating the price of the certificate to the price of bread—was deleted. In this connection, however, it is the request of the committee of conference that the Secretary of Agriculture conduct a continuing study of bread prices and that he report to the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House any increases in bread prices which do not appear to be justified by increased costs of labor, materials, and other factors.

The Senate provision dealing with the exemption for second clears was adopted by the conference. This change reflects an agreement reached between all the corn and wheat industries and the Department of Agriculture as explained in the Senate committee report and is in accord with the basic intent of the House provision.

It is the intention of the committee of conference that the Secretary affirmatively implement the exemption provided herein so that it will become operative and provide relief from the certificate liability imposed by this act not later than 60 days following enactment of this act.

Language adopted by the conference with respect to the rate of return per bushel of wheat follows:

For the 1966 crop, price supports for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price therefor, and price supports for wheat not accompanied by marketing certificates shall be not less than \$1.25 per bushel. For any crop of wheat planted for harvest during the calendar years 1967 through 1969 for which the diversion factor is not less than 10 per centum, the total average rate of return per bushel made available to cooperators on the estimated production of his allotment based on projected yield through loans, domestic marketing certificates, estimated returns from export marketing certificates, and diversion payments for acreage diverted pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, shall not be less than the total average rate of return per bushel made available to cooperators through loans and domestic marketing certificates for the 1966 crop.

TITLE VI—CROPLAND ADJUSTMENT

Under this title the Secretary would be authorized to enter into 5- to 10-year contracts with farmers calling for conversion of cropland into vegetative cover, water storage facilities or other soil, water, wildlife, or forest conserving uses. Payments under such contracts would be at a rate of not more than 40 percent of the annual market value of the crop that would have been produced on the land, as determined by the Secretary. It is expected that about 8 million acres per year would be added to this program until it reaches its peak participation of 40 million acres in 1970. The Secretary is authorized to obligate not more than \$225 million per year in new contracts signed during each of the next 4 years, so that by the end of the signup period contracts in force could involve payments to a maximum of \$900 million annually.

The conference committee also agreed to (a) make tame hay, alfalfa, and clovers eligible cropland for purposes of the program, (b) require a farmer to place all of at least one surplus crop into the program in 1966 in order to be eligible to participate (after 1966, the Secretary would have discretion to set the required percentage), (c) require prior ownership of the farm for at least 3 years before it could be placed in the program, (d) require the Secretary to use the bid procedure in signing up cropland unless he should find such a procedure is not feasible, (e) allow either lump sum or annual payments, (f) for 1966, cotton acreage in a county could be excluded from the program at the request of the county Agricultural Stabilization and Conservation Committee (ASC), (g) authorize a wildlife advisory board which would serve without compensation or travel allowance, and (h) authorize additional payments to farmers who permit their land to be used, in cooperation with a State agency, for hunting, fishing, etc.

The committee of conference was concerned lest the cumulative effect of acreage reduction under both the cotton program and the CAP program should severely damage the economy of many cotton producing areas. It has, therefore, incorporated the requirement that the Secretary shall consider the impact of acreage retirement on the community—as well as the county (as provided in House bill).

The conferees also obtained from the Secretary of Agriculture the following letter regarding his intention to limit cropland retirement under the CAP program:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., September 28, 1965.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: A question has been raised as to the extent to which the Department would expect to contract for reductions in base and allotment crops in any county under the cropland adjustment program proposed in H.R. 9811.

It would be the intent of the Department to limit the acreage contracted in any year insofar as a base or allotment crop is concerned to not more than 10 percent of the allotment or base acreage for that crop in the county. It would be our intent to further limit the acreage contracted over the life of the program to not more than 25 percent of the base or allotment for the crop for the county unless responsible representatives of the county government and the elected farmer ASCS committee for the county agreed that more than 25 percent could be contracted without adversely affecting the economy of the county.

Sincerely,

(Signed) ORVILLE L. FREEMAN.

TITLE VII—MISCELLANEOUS

Section 701 and section 702 repeal the provisions that acreage on all farms participating in crop allotment programs must be measured and provide that the Secretary may use other methods such as certification and spot checking to determine compliance with program objectives. The House bill had authorized this for all crops except peanuts and tobacco.

Section 703 extends for 4 years (the same as the House bill) authority for leasing of tobacco acreage but adds the provision that for tobacco being allotted on an acreage-poundage basis, leases may be made on the basis of pounds, rather than acres.

Section 704 extends the definition of "boiling peanuts" for 4 years (instead of the permanent extension provided in the House bill).

Section 705 directs the Secretary of Agriculture to make a study of the parity income position of farmers and report thereon to Congress not later than June 30, 1966. This combines related but somewhat different provisions in the House and Senate bills.

Section 706 is the House provision authorizing any State agency administering public lands to transfer an acreage allotment from one farm to another in the same county.

Section 707 enacts into law provisions of administrative regulations relating to the reconstitution of farms.

Section 708 authorizes the Secretary to use projected yields in lieu of normal yields in connection with all farm programs.

Section 709 authorizes the Secretary of Agriculture to use CCC funds for the purchase of dairy products when there is not a sufficient supply of such products in the Commodity Credit Corporation to meet commitments.

Farm labor

A provision relating to farm labor was in the Senate bill but was deleted on the floor by a narrow margin. In spite of the fact that there is no provision with respect to farm labor in either the House or Senate bills, the committee of conference recognizes that the success of any agricultural enterprise is dependent upon an adequate labor force to carry out the farming operations. It has voted to include in this statement of managers the following statement on this subject by the committee of conference:

The committee of conference emphasizes that an adequate force of capable labor is essential to the efficient production and harvesting of agricultural commodities. It is deeply concerned over the inadequate supply of such labor this year, particularly to the producers of perishable crops.

Agricultural labor shortages in 1965 have had serious consequences. Crops have been lost. Plantings have been reduced because of uncertainty created by governmental policies with respect to agricultural labor. Crops lost or not planted because of inadequate labor will necessarily injure the consumer and the economy as well as the farmer. They will also reduce the number of job opportunities in agriculture and related industries.

This shortage of capable labor has resulted from administrative actions which have failed to sufficiently recognize the needs and problems of agriculture and which have imposed requirements on farmers never authorized by Congress. To avoid the subordination of agriculture's interests, it is the unanimous view of the conferees that the Secretary of Agriculture should collect necessary facts concerning requirements for and availability of agricultural labor and submit such information to the Attorney General in connection with determinations as to whether farmers are to have needed supplemental foreign labor.

The Congress recognized the need for such information and made provision therefor by authorizing the Attorney General, in carrying out his responsibilities, to consult with appropriate agencies of Government. There is no question but that the Department of Agriculture is the appropriate agency to determine facts concerning the requirements of agriculture and the extent to which, and timeliness by which, they are being met.

It is the opinion of the conferees that under the practice now prevailing in which the Attorney General has relied almost entirely on the Department of Labor, the findings and recommendations of the Secretary of Labor have been in many instances too little and too late to meet the critical needs of producers.

TITLE VIII—RICE

Title VIII of the conference substitute provides for a 4-year rice diversion program, effective only when the national allotment is reduced below that for 1965. The House bill contained no such provision. Under the provision agreed to by the conferees, if rice acreage allotments fall below the 1965 level, the Secretary will be required to carry out a diversion program similar to that for other commodities. The title also provides that, for 1966 and 1967, rice value factors may not be reduced and differentials between value factors for the various varieties could not be increased.

HAROLD D. COOLEY,
W. R. POAGE,
WATKINS M. ABBITT,
HARLAN HAGEN,
FRANK A. STUBBLEFIELD,
GRAHAM PURCELL,

Managers on the Part of the House.

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House of Representatives

WEDNESDAY, OCTOBER 6, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., used this verse of Scripture before his prayer: I John 5: 4: *This is the victory that overcometh the world, even our faith.*

O Thou God of all grace, inspire us with indomitable courage and invincible faith in the ultimate victory of moral and spiritual forces as we face arduous tasks and heavy responsibilities.

Show us how we may conquer our moods of discouragement and depression and cultivate a stronger and more dynamic confidence in Thy divine wisdom and power.

Grant that we may never become the victims of cynical attitudes or feel that these present-day situations and conditions are so hopelessly wrong that all efforts to change and put them right are useless and will end in failure.

May our President, our Speaker, and the Members of Congress give clear and convincing witness that they have a lofty vision, a fine insight, and a great hope, that a better world is emerging for we have not been created for failure but for victory.

Bless our President. Give him Thy needed grace. Share with the doctors and nurses Thy wisdom, enabling them to know what to do. We give Thee all the praise and the glory. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Jones, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed, with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5571. An act to amend title 37, United States Code, to authorize payment of incentive pay for submarine duty to personnel qualified in submarines attached to staffs of submarine operational commanders.

The message also announced that the Senate agrees to the amendments of the House to a bill and a joint resolution of the Senate of the following titles:

S. 1689. An act to amend paragraph (a) of the act of March 4, 1913, as amended by the act of January 31, 1931 (16 U.S.C. 502); and

S.J. Res. 69. Joint resolution to authorize

the Administrator of General Services to construct the third Library of Congress building in square 732 in the District of Columbia, to be named the "Library of Congress James Madison Memorial Building" and to contain a Madison Memorial Hall, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9042) entitled "An act to provide for the implementation of the agreement concerning automotive products between the Government of the United States of America and the Government of Canada, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 10871) entitled "An act making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1966, and for other purposes."

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate this afternoon.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERSONAL ANNOUNCEMENT

(Mr. DOW asked and was given permission to address the House for 1 minute.)

Mr. DOW. Mr. Speaker, I want to enter into the body of the RECORD a statement regarding rollcall No. 343, which occurred on September 30 last. I was not present for the call but had I been present, I would have voted "yea" in favor of a Federal pay raise.

LABOR, SERVICE CONTRACT ACT OF 1965

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 10238) to provide labor standards for certain persons employed by Federal contractors to furnish services to Federal agencies, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 8, line 14, after "Island," insert "Eniwetok Atoll, Kwajalein Atoll, Johnston Island."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, I should like to ask the gentleman from Michigan whether this is the bill about which he spoke to me a few moments ago.

Mr. O'HARA of Michigan. I would advise the gentleman that it is.

Mr. GERALD R. FORD. And it is the bill that I have checked out with the gentleman from Ohio [Mr. AYRES] as to the amendment that was included in the other body?

Mr. O'HARA of Michigan. I advise the gentleman that it is. It is a bill which had unanimous support of the committee at the time it was reported by our committee. It passed the House under suspension of the rules. The amendment has the agreement of the minority side of the committee.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. It is not possible to comprehend, on hearing the amendment read, whether it is germane to the bill. Is the amendment germane to the bill?

Mr. O'HARA of Michigan. I advise the gentleman that it is. It includes those three islands in the coverage, along with American Samoa, Guam, and Wake.

Mr. GERALD R. FORD. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SECOND ANNUAL REPORT ON SPECIAL INTERNATIONAL EXHIBITIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

I am transmitting the Second Annual Report on Special International Exhibitions, for the fiscal year 1964, pursuant to section 108(b) of Public Law

87-256, the Mutual Educational and Cultural Exchange Act of 1961.

This program is designed to reveal to peoples abroad the true nature and broad extent of our economic, social, and cultural attainments. These exhibitions are also designed to advance mutually profitable trade relationships.

This American know-how is presented to show how it harmonizes with the host country's own aspirations and capabilities. This is done by presenting major U.S. exhibitions at selected international fairs and expositions, or as special events, in support of American foreign policy objectives.

This program concentrates mainly in Eastern Europe and the developing countries. Hundreds of American business and industrial firms, private institutions, and individuals cooperated with government agencies and contributed materials, time, and talent to help insure the success of these exhibitions.

For people who yearn to learn more about us, the American pavilion is like a large picture window through which they can look and see for themselves. The steady stream of young and old, from all walks of life, flocking to our exhibitions to improve their knowledge of what America is and means is a sight not easily forgotten.

These exhibitions are a vital adjunct to our country's unceasing pursuit of peace, freedom, and human dignity for men everywhere. I am gratified by the support the Congress has given this program since it began a decade ago.

LYNDON B. JOHNSON.

THE WHITE HOUSE, October 6, 1965.

ANNUAL REPORT ON THE INTERNATIONAL EDUCATIONAL AND CULTURAL EXCHANGE PROGRAM FOR THE FISCAL YEAR 1964—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

Pursuant to the provisions of the Mutual Educational and Cultural Exchange Act of 1961 (Public Law 87-256), I am transmitting the annual report on the International Educational and Cultural Exchange Program for the fiscal year 1964.

This report suggests something of the experience of life in other lands which students, teachers, professors, lecturers, research scholars, performing artists, athletes and coaches, foreign leaders, writers, judges, doctors—indeed the whole company of the adventurous, the skilled, the searching—have shared with their counterparts abroad, since the exchange programs began two decades ago.

In those 20 years they have become an established part of our commitment to international understanding. That commitment is expressed through congressional action, through the voluntary efforts of thousands of individual citizens,

through our universities and colleges, and through national and local community organizations all across the country.

I commend the report to the thoughtful scrutiny of the Congress.

LYNDON B. JOHNSON.

THE WHITE HOUSE, October 6, 1965.

CALL OF THE HOUSE

Mr. HALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 352]

Abblitt	Flynt	Moeller
Anderson, Ill.	Frellinghuysen	Moore
Andrews,	Friedel	Multer
George W.	Fulton, Pa.	Murray
Arends	Fulton, Tenn.	Nix
Ashbrook	Gilbert	O'Hara, Ill.
Ashley	Gilligan	O'Hara, Mich.
Aspinall	Goodell	O'Neill, Mass.
Bates	Grabowski	Ottinger
Bolling	Hagan, Ga.	Passman
Bow	Halpern	Patman
Brademas	Hamilton	Pepper
Brown, Calif.	Hardy	Philbin
Burton, Utah	Harvey, Ind.	Powell
Cahill	Hays	Reinecke
Carter	Hébert	Rénick
Celler	Herlong	Rhodes, Ariz.
Chamberlain	Hollifield	Rivers, S.C.
Clancy	Holland	Rosenthal
Clark	Horton	Rostenkowski
Clausen,	Hosmer	St Germain
Don H.	Huot	Scheuer
Cleveland	Ichord	Schlesler
Conte	Irwin	Shipley
Corman	Joelson	Sikes
Craley	Keith	Smith, Iowa
Cramer	King, N.Y.	Stafford
Culver	Lindsay	Stephens
Curtis	Long, La.	Sweeney
Denton	Long, Md.	Tenzer
Devine	McCulloch	Thomas
Dickinson	McDade	Thompson, Tex.
Diggs	McMillan	Toll
Dingell	Macdonald	Wdall
Donohue	MacGregor	Utt
Dorn	Mackay	Vahik
Edwards, Calif.	Martin, Ala.	Watkins
Evins, Tenn.	Martin, Mass.	Wolf
Farbstein	Martin, Nebr.	Wyatt
Findley	May	Yates

The SPEAKER. On this rollcall 313 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON AGRICULTURE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a conference report on H.R. 9811, the Food and Agriculture Act of 1965.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 1123)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity

in rural areas, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act may be cited as the 'Food and Agriculture Act of 1965'.

"TITLE I—DAIRY

"SEC. 101. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all of clause (d) and inserting in lieu thereof a new clause (d) to read as follows:

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers and associations of producers, on the basis of their marketings of milk, which may be adjusted to reflect sales of such milk by any handler or by all handlers in any use classification or classifications, during a representative period of time which need not be limited to one year. In the event a producer holding a base allocated under this clause (d) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases. Allocations to producers under this clause (d) may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public, existing producers, and prospective new producers. Any increase in class one base resulting from enlarged or increased consumption and any producer class one bases forfeited or surrendered shall first be made available to new producers and to the alleviation of hardship and inequity among producers. In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision may be made for reducing the allocation of, or payments to be received by, any such producer under this clause (d) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers',

and by adding at the end of said subparagraph (B) the following: 'Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under (d) above shall not become effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order.'

"SEC. 102. Such Act is further amended (a) by adding to subsection 8c(5) the following new paragraph: '(H) Marketing orders applicable to milk and its products may be limited in application to milk used for manufacturing'; and (b) by amending subsection 8c(18) by adding after the words 'marketing area' wherever they occur the words 'or, in the case of orders applying only to manufacturing milk, the production area'.

"SEC. 103. The provisions of this title shall not be effective after December 31, 1969.

"SEC. 104. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reen-

acted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this title as it was prior thereto.

"TITLE II—WOOL

"SEC. 201. The National Wool Act of 1954, as amended, is amended, as follows:

"(1) By deleting from section 703 'March 31, 1966' and inserting in lieu thereof 'December 31, 1969'.

"(2) By changing the period at the end of the third sentence of section 703 to a colon and inserting the following: 'Provided further, That the support price for shorn wool for the 1966 and each subsequent marketing year shall be determined by multiplying 62 cents by the ratio of (i) the average of the parity index (the index of prices paid by farmers, including commodities and services, interest, taxes, and farm wage rates, as defined in section 301(a) (1) (C) of the Agricultural Adjustment Act of 1938, as amended) for the three calendar years immediately preceding the calendar year in which such price support is determined and announced to (ii) the average parity index for the three calendar years 1958, 1959, and 1960, and rounding the resulting amount to the nearest full cent.'

"(3) By deleting the fourth sentence of section 703.

"TITLE III—FEED GRAINS

"SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e):

"(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16(i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grains that the producer shall not exceed his feed grain base: *Provided*, That the acreage on any farm which is diverted from the production of feed grains pursuant to a contract hereafter entered into under the Cropland Adjustment Program shall be deemed to be acreage diverted from the production of feed grains for purposes of meeting the foregoing requirements for eligibility for price support: *Provided further*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960 to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price-support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains shall be made available to producers through payments-in-kind. Such payments-in-kind shall be made available on the maximum

permitted acreage, or the Secretary may make the same total amount available on a smaller acreage or acreages at a higher rate or rates. The number of bushels of such feed grain on which such payments-in-kind shall be made shall be determined by multiplying that part of the actual acreage of such feed grain planted on the farm for harvest on which the Secretary makes such payments available by the farm projected yield per acre: *Provided*, That for purposes of such payments, the Secretary may permit producers of feed grains to have acreage devoted to soybeans considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the price support program: *Provided further*, That for purposes of such payments, producers on any farm who have planted not less than 90 per centum of the acreage of feed grains permitted to be planted shall be deemed to have planted the entire acreage permitted. Notwithstanding the provisions of subsection (a), that portion of the support price which is made available through loans and purchases for the 1966 through 1969 crops may be reduced below the loan level for the 1965 crop by such amounts and in such stages as may be necessary to promote increased participation in the feed grain program, taking into account increases in yields, but so as not to disrupt the feed grain and livestock economy: *Provided*, That this authority shall not be construed to modify or affect the Secretary's discretion to maintain or increase total price support levels to cooperators. An acreage on the farm which the Secretary finds was not planted to feed grains because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of feed grains planted for harvest for purposes of such payments provided such acreage is not subsequently planted to any other income-producing crop during such year. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price made available through loans and purchases, plus reasonable carrying charges) in accordance with regulations prescribed by the Secretary and notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. The Secretary shall provide for the sharing of such certificates among producers on the farm on the basis of their respective shares in the feed grain crop produced on the farm, or the proceeds therefrom, except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains, in accordance with the provisions of such program, an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide. In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this subsection (e) and subsection (d) of this section preclude the making of payments-in-kind, the Secretary may, nevertheless, make such payments-in-kind in such

amounts as he determines to be equitable in relation to the seriousness of the default.'

"SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

"(1) Notwithstanding any other provision of law—

"(1) For the 1966 through 1969 crops of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, but not in excess of 50 per centum of the estimated basic county support rate, including the lowest rate of payment-in-kind, on the normal production of the acreage diverted from the commodity on the farm based on the farm projected yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term "feed grains" means corn, grain sorghums, and, if designated by the Secretary, barley, and if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term "feed grains" shall include oats and rye and barley if not designated by the Secretary as provided above: *Provided*, That acreages of corn, grain sorghums, and, if designated by the Secretary, barley, shall not be planted in lieu of acreages of oats and rye and barley if not designated by the Secretary as provided above: *Provided further*, That the acreage devoted to the production of wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed

grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. Notwithstanding any other provision of this subsection (1) (1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection, barley shall not be included in the program for a producer of maturing barley exempted pursuant to section 105(e) of the Agricultural Act of 1949, who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

"(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

"(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(1).

"(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

"(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains in accordance with regulations prescribed by the Secretary and, notwithstanding any other pro-

vision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price made available through loans and purchases, plus reasonable carrying charges.

"(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains."

"SEC. 303. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the language beginning with 'the requirements' and ending with 'Agricultural Act of 1961, and' and substituting therefor 'the requirements of any program under which price support is extended or payments are made to farmers, and price support may be extended or'.

"TITLE IV—COTTON

"SEC. 401. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(1) Section 348 of the Act is amended by adding the following new sentences at the end thereof: 'The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to 1966 crop cotton.'

"(2) Section 346 of the Act is amended by adding at the end thereof a new subsection as follows:

"(e) Notwithstanding any other provision of this Act, for the 1966, 1967, 1968, and 1969 crops of upland cotton, if the farm operator elects to forgo price support for any such crop of cotton by applying to the county committee of the county in which the farm is located for additional acreage under this subsection, he may plant an acreage not in excess of the farm acreage allotment established under section 344 plus the acreage apportioned to the farm from the national export market acreage reserve, and all cotton of such crop produced on the farm may be marketed for export free of any penalty under this section: *Provided*, That the foregoing shall be applicable only to farms which had upland cotton allotments for 1965 and are operated by the same operator as in 1965 or by his heir.

"For the 1966 crop the national export market acreage reserve shall be 250,000 acres. For each subsequent crop—

If the carryover at the end of the marketing year for the preceding crop is estimated to be less than the carryover at the beginning of such marketing year by—

At least 1,000,000 bales, but not as much as 1,000,000 bales.	250,000 acres.
At least 750,000 bales, but not as much as 1,000,000 bales.	187,500 acres.
At least 500,000 bales, but not as much as 750,000 bales.	125,000 acres.
At least 250,000 bales, but not as much as 500,000 bales.	62,500 acres.
Less than 250,000 bales.	None.

"The national export market acreage reserve shall be apportioned to farms by the Secretary on the basis of the applications

therefor. No application shall be accepted for a greater acreage than is available on the farm for the production of upland cotton. After apportionments are thus made to farms, the Secretary shall provide farm operators a reasonable time in which to cancel their applications (and agreements to forgo price support) and surrender to the Secretary through the county committee the export market acreage assigned to the farm. Acreage so surrendered shall be available for reassignment by the Secretary to other eligible farms to which export market acreage has been apportioned on the basis of the applications remaining outstanding. The operator of any farm who elects to forgo price support for any such crop under this subsection shall not be eligible for price support on cotton of such crop produced on any other farm in which he has a controlling or substantial interest as determined by the Secretary. Acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall not be taken into account in establishing future State, county, and farm acreage allotments. The operator of any farm to which export market acreage is apportioned, or the purchasers of cotton produced on such farm, shall, under regulations issued by the Secretary, furnish a bond or other undertaking prescribed by the Secretary providing for the exportation, without benefit of any Government cotton export subsidy and within such time as the Secretary may specify, of all cotton produced on such farm for such year. The bond or other undertaking given pursuant to this subsection shall provide that, upon failure to comply with the terms and conditions thereof, the person furnishing such bond or other undertaking shall be liable for liquidated damages in an amount which the Secretary determines and specifies in such undertaking will approximate the amount payable on excess cotton under subsection (a). The Secretary may, in lieu of the furnishing of a bond or other undertaking, provide for the payment of an amount equal to that which would be payable as liquidated damages under such bond or other undertaking. If such bond or other undertaking is not furnished, or if payment in lieu thereof is not made as provided herein, at such time and in the manner required by regulations of the Secretary, or if the acreage planted to cotton on the farm exceeds the sum of the farm acreage allotment established under section 344 and the acreage apportioned to the farm from the national export market acreage reserve, the acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall be regarded as excess acreage for purposes of this section and section 345. Amounts collected by the Secretary under this subsection shall be remitted to the Commodity Credit Corporation.

"(3) Section 350 of the Act is amended, effective with the 1966 crop, to read as follows:

"SEC. 350. In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103(d) of the Agricultural Act of 1949, as amended, the Secretary shall determine a national domestic allotment for the 1966, 1967, 1968, and 1969 crops of upland cotton equal to the estimated domestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced. The Secretary shall determine a farm domestic acreage allotment percentage for each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield. The farm domestic acreage allotment shall be established by multiplying

the farm acreage allotment established under section 344 by the farm domestic acreage allotment percentage: *Provided*, That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced; except that in the case of the 1966 crop, such determination shall be made within 15 days after enactment of the Food and Agriculture Act of 1965.

"SEC. 402. (a) Section 103 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection at the end thereof:

"(d)(1) Notwithstanding any other provision of this Act, if producers have not disapproved marketing quotas, price support and diversion payments shall be made available for the 1966, 1967, 1968, and 1969 crops of upland cotton as provided in this subsection.

"(2) Price support for each such crop of upland cotton shall be made available to cooperators through loans at such level, not exceeding a level which will reflect for Middling one-inch upland cotton at average location in the United States 90 per centum of the estimated average world market price for Middling one-inch upland cotton for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act: *Provided*, That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

"(3) The Secretary also shall provide additional price support for each such crop through payments in cash or in kind to cooperators at a rate not less than 9 cents per pound: *Provided*, That the rate shall be such that the amount obtained by—

"(i) multiplying the rate by the farm domestic acreage allotment percentage, and

"(ii) dividing the product thus obtained by the cooperator percentage established under section 408(b), and

"(iii) adding the result thus obtained to the national average loan rate shall not be less than 65 per centum or more than 90 per centum of the parity price for cotton as of the month in which the payment rate provided for by this paragraph is announced. Such payments shall be made on the quantity of cotton determined by multiplying the projected farm yield by the acreage planted to cotton within the farm domestic acreage allotment: *Provided*, That any such farm planting not less than 90 per centum of such domestic acreage allotment shall be deemed to have planted the entire amount of such allotment. An acreage on a farm in any such year which the Secretary finds was not planted to cotton because of drought, flood, or other natural disaster shall be deemed to be planted to cotton for purposes of payments under this subsection if such acreage is not subsequently devoted to any other income-producing crop in such year.

"(4) The Secretary shall make diversion payments in cash or in kind in addition to the price support payments authorized in paragraph (3) to cooperators who reduce their cotton acreage by diverting a portion of their cotton acreage allotment from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided*, That no reduction below the domestic acreage allotments established under section 350 of the Agricultural Adjustment Act of 1938, as amended, shall be prescribed: *Provided further*, That payment under this paragraph shall be made available for diverting to conserving uses that part of the acreage allotment which must be diverted from cotton in order that

the producer may qualify as a cooperator. The rate of payment for acreage required to be diverted in order to qualify as a cooperator shall not be less than 25 per centum of the parity price for upland cotton as of the month in which such rate is announced. The rate of payment for additional acreage diverted shall be such rate as the Secretary determines to be fair and reasonable, but shall not exceed 40 per centum of such parity price. Payment at each applicable rate shall be made on the quantity of cotton determined by multiplying the acreage diverted from the production of cotton at such rate by the projected farm yield. In addition to the foregoing payment, if any, payment at the rate applicable for acreage required to be diverted to qualify as a cooperator shall be made to producers on small farms as defined in section 408(b) who do not exceed their farm acreage allotments on a quantity of cotton determined by multiplying an acreage equal to 35 per centum of such farm acreage allotment by the projected farm yield.

"(5) The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance and the balance of such payments shall be made at such time as the Secretary may prescribe.

"(6) Where the farm operator elects to participate in the diversion program authorized in this subsection and no acreage is planted to cotton on the farm, diversion payments shall be made at the rate established under paragraph (4) for acreage required to be diverted to qualify as a cooperator on the quantity of cotton determined by multiplying that part of the farm acreage allotment required to be diverted to qualify as a cooperator by the projected farm yield, and the remainder of such allotment may be released under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended. The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county, and farm acreage allotments, and farm bases.

"(7) Payments in kind under this subsection shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary at a value per pound equal to not less than the current loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

"(8) Payments under this subsection shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for such payments (hereinafter called "diverted acreage"), and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: *Provided*, That the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income, subject to the condition that payment under paragraph (4) or (6) with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment

exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses.

"(9) The acreage regarded as planted to cotton on any farm which qualifies for payment under this subsection except under paragraph (6) shall, for purposes of establishing future State, county, and farm acreage allotments and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m)(2) thereof.

"(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing diversion payments on a fair and equitable basis under this subsection. The Secretary shall provide for the sharing of price support payments among producers on the farm on the basis of their respective shares in the cotton crop produced on the farm, or the proceeds therefrom, except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable.

"(11) In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this Act preclude the making of payments under this section, the Secretary may, nevertheless, make such payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

"(12) Notwithstanding any other provision of this Act, if as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to cooperators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefor and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

"(13) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall also apply to payments under this subsection.

"(14) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this subsection and to pay administrative expenses necessary in carrying out this subsection.

"(b) Section 408(b) of the Agricultural Act of 1949, as amended, is amended, effective only for the 1966 through 1969 crops, by changing the period at the end of the first sentence thereof to a colon and adding the following: '*Provided*, That for upland cotton a cooperator shall be a producer on whose farm the acreage planted to such cotton does not exceed the cooperator percentage, which shall be in the case of the 1966 crop, 87.5 per centum of such farm acreage allotment and, in the case of each of the 1967, 1968, and 1969 crops, such percentage, not less than 87.5 or more than 100 per centum, of such farm acreage allotment as the Secretary may

specify for such crop, except that in the case of small farms (i.e. farms on which the acreage allotment is 10 acres or less, or on which the projected farm yield times the acreage allotment is 3,600 pounds or less, and the acreage allotment has not been reduced under section 344(m)) the acreage of cotton on the farm shall not be required to be reduced below the farm acreage allotment."

"SEC. 403. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subparagraphs to paragraph (13) of subsection (b):

"(L) 'Projected national, State, and county yields' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop in the United States, the State and the county, respectively, during each of the five calendar years immediately preceding the year in which such projected yield for the United States, the State, and the county, respectively, is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices.

"(M) 'Projected farm yield' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (I) of this paragraph."

"SEC. 404. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: 'Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly.'

"SEC. 405. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 344 the following new section:

"SEC. 344a. (a) Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the program involved, (1) may permit the owner and operator of any farm for which a cotton acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment (excluding that part of the allotment which the Secretary determines was apportioned to the farm from the national acreage reserve) to any other owner or operator of a farm for transfer to such farm; (2) may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided*, That the authority granted under this section may be exercised for the calendar years 1966, 1967, 1968, and 1969, but all transfers hereunder shall be for such period of years as the parties thereto may agree.

"(b) Transfers under this section shall be subject to the following conditions: (i) no allotment shall be transferred to a farm in another State or to a person for use in another State; (ii) no farm allotment may be sold or leased for transfer to a farm in another county unless the producers of cotton in the county from which transfer is being made have voted in a referendum within three years of the date of such transfer, by a two-thirds majority of the producers participating in such referendum, to permit the transfer of allotments to farms outside the county, which referendum, insofar as practicable, shall be held in conjunction with the marketing quota referendum for the commodity; (iii) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholder; (iv) no sale of a farm allotment shall be permitted if any sale of cotton allotment to the same farm has been made within the three immediately preceding crop years; (v) the total cotton allotment for any farm to which allotment is transferred by sale or lease shall not exceed the farm acreage allotment (excluding reapportioned acreage) established for such farm for 1965 by more than one hundred acres; (vi) no cotton in excess of the remaining acreage allotment on the farm shall be planted on any farm from which the allotment (or part of an allotment) is sold for a period of five years following such sale, nor shall any cotton in excess of the remaining acreage allotment on the farm be planted on any farm from which the allotment (or part of an allotment) is leased during the period of such lease, and the producer on such farm shall so agree as a condition precedent to the Secretary's approval of any such sale or lease; and (vii) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section. Such record may be filed with such committee only during the period beginning June 1 and ending December 31.

"(c) The transfer of an allotment shall have the effect of transferring also the acreage history, farm base, and marketing quota attributable to such allotment and if the transfer is made prior to the determination of the allotment for any year the transfer shall include the right of the owner or operator to have an allotment determined for the farm for such year: *Provided*, That in the case of a transfer by lease, the amount of the allotment shall be considered for purposes of determining allotments after the expiration of the lease to have been planted on the farm from which such allotment is transferred.

"(d) The land in the farm from which the entire cotton allotment and acreage history have been transferred shall not be eligible for a new farm cotton allotment during the five years following the year in which such transfer is made.

"(e) The transfer of a portion of a farm allotment which was established under minimum farm allotment provisions for cotton or which operates to bring the farm within the minimum farm allotment provision for cotton shall cause the minimum farm allotment or base to be reduced to an amount equal to the allotment remaining on the farm after such transfer.

"(f) The Secretary shall prescribe regulations for the administration of this section, which shall include provisions for adjusting the size of the allotment transferred if the farm to which the allotment is transferred has a substantially higher yield per acre and such other terms and conditions as he deems necessary.

"(g) If the sale or lease occurs during a period in which the farm is covered by a conservation reserve contract, cropland con-

version agreement, cropland adjustment agreement, or other similar land utilization agreement, the rates of payment provided for in the contract or agreement of the farm from which the transfer is made shall be subject to an appropriate adjustment, but no adjustment shall be made in the contract or agreement of the farm to which the allotment is transferred.

"(h) The Secretary shall by regulations authorize the exchange between farms in the same county, or between farms in adjoining counties within a State, of cotton acreage allotment for rice acreage allotment. Any such exchange shall be made on the basis of application filed with the county committee by the owners and operators of the farms, and the transfer of allotment between the farms shall include transfer of the related acreage history for the commodity. The exchange shall be acre for acre or on such other basis as the Secretary determines is fair and reasonable, taking into consideration the comparative productivity of the soil for the farms involved and other relevant factors. No farm from which the entire cotton or rice allotment has been transferred shall be eligible for an allotment of cotton or rice as a new farm within a period of five crop years after the date of such exchange.

"(i) The provisions of this section relating to cotton shall apply only to upland cotton."

"TITLE V—WHEAT

"SEC. 501. Effective beginning with the crop planted for harvest in the calendar year 1966, the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(1) Section 332 is amended by changing item (iv) in subsection (b) to read: 'will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding the estimated quantity of wheat which will be utilized for such purpose as a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962' and by adding the following new subsection:

"(d) Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1966 through 1969, and farm marketing quotas shall not be in effect for such crops of wheat."

"(2) Section 333 is amended to read as follows: 'The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop, or if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed.'

"(3) Subsection (a) of section 334 is amended to read as follows:

"(a) The national allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the States on the basis of the preceding year's allotment for each such State, including all amounts allotted to the State and including for 1967 the increased acreage in the State allotted for 1966 under section 335, adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant

factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (that is, farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year.

"(4) Subsection (b) of section 334 is amended to read as follows:

"(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year's wheat allotment in each such county, including for 1967 the increased acreage in the county allotted for 1966 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors."

"(5) Subsection (c) of section 334 is amended by adding new paragraphs (3) and (4) to read as follows:

"(3) Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1967 and any subsequent year shall be the acreage of wheat planted, plus the acreage regarded as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment."

"(4) Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1967 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which wheat has been planted, or is considered to have been planted, for harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for

the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop-rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm, and may be adjusted upward to reflect such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment: *Provided*, That (i) for the purposes of computing the allotment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by 7 per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary diversion program nor a voluntary certificate program was in effect and there was noncompliance with the farm acreage allotment for such year; (ii) for purposes of clause (i), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion shall be reduced by reducing the allotment for the immediately preceding year by 7 per centum; and (iii) for purposes of clause (i) if the Secretary determines that the reduction in the allotment does not provide fair and equitable treatment to producers on farms following special crop rotation practices, he may modify such reduction in the allotment as he determines to be necessary to provide fair and equitable treatment to such producers."

"(6) Subsection (d) of section 334 is repealed."

"(7) Subsection (g) of section 334 is amended by striking out the language 'except as prescribed in the proviso to the first sentence of subsections (a) and (b), respectively, of this section' in the first sentence."

"(8) Section 335 is amended by adding at the end thereof the following: 'This section shall not be applicable to the crops planted for harvest in 1967 and subsequent years.'

"(9) Section 339(b) is amended (1) by striking out '1964 and 1965 crops of wheat' and substituting 'crops of wheat planted for harvest in the calendar years 1964 through 1969'; and, (2) by striking out of the third sentence '20 per centum of the farm acreage allotment' and 'fifteen acres' and substituting '50 per centum of the farm acreage allotment' and 'twenty-five acres', respectively."

"(10) Section 339(e) is amended to read as follows: '(e) The Secretary may permit all or any part of the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses.'

"SEC. 502. Effective only with respect to the crops of wheat planted for harvest in the calendar years 1966 through 1969, and the marketing years for such crops, section 379b is amended to read as follows:

"SEC. 379b. A wheat marketing allocation program as provided in this subtitle shall be in effect for the marketing years for the crops planted for harvest in the calendar years 1966 through 1969. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat he estimates will be used during such year for food products for consumption in the United States, but the amount of wheat included in the marketing allocation for food products for consumption in the United States shall not be less than five hundred million bushels, and (2) the national allocation percentage for such year which shall be the percentage which, when applied to the farm as provided in this section, will result in marketing certificates being issued to producers in the amount of the national wheat marketing allocation. The cost of any domestic marketing certificates issued to producers in excess of the number of certificates acquired by processors as a result of the application of the five hundred million bushel minimum or an overestimate of the amount of wheat used during such year for food products for consumption in the United States shall be borne by Commodity Credit Corporation. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage."

"SEC. 503. Effective beginning with the 1970 crop, section 379b is amended by striking out 'normal yield of wheat for the farm as determined by the Secretary' and substituting 'projected farm yield'."

"SEC. 504. (a) Effective upon the enactment of this Act, section 379d(b) is amended by striking out the third sentence and substituting the following: 'The Secretary may exempt from the requirements of this subsection wheat exported for donation abroad and other noncommercial exports of wheat, wheat processed for use on the farm where grown, wheat produced by a State or agency thereof and processed for use by the State or agency thereof, wheat processed for donation, and wheat processed for uses determined by the Secretary to be noncommercial. Such exemptions may be made applicable with respect to any wheat processed or exported beginning July 1, 1964. There shall be exempt from the requirements of this subsection, beverage distilled from wheat prior to July 1, 1964. A beverage distilled from wheat after July 1, 1964, shall be deemed to be removed for sale or consumption at the time it is placed in barrels for aging except that upon the giving of a bond as prescribed by the Secretary, the purchase of and payment for such marketing certificates as may be required may be deferred until such beverage is bottled for sale. Wheat shipped to a Canadian port for storage in bond, or storage under a similar arrangement, and subsequent exportation, shall be deemed to have been exported for purposes of this subsection when it is exported from the Canadian port.'

"(b) Section 379d(d) is amended by inserting after the word 'flour' the following: '(excluding flour second clears not used for human consumption as determined by the Secretary)', and by inserting at the end thereof the following: 'The Secretary may at his election administer the exemption for wheat processed into flour second clears through refunds either to processors of such wheat or to the users of such clears. For the purpose of such refunds, the wheat equivalent of flour second clears may be determined on the basis of conversion factors authorized by section 379f of the Agricul-

tural Adjustment Act of 1938, even though certificates had been surrendered on the basis of the weight of the wheat."

"This subsection shall be effective as to products sold, or removed for sale or consumption on or after sixty days following enactment of this Act, unless the Secretary shall by regulation designate an earlier effective date within such sixty-day period."

"(c) Section 379d(b) is amended by adding at the end thereof the following: 'Whenever the face value per bushel of domestic marketing certificates for a marketing year is different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary may require marketing certificates issued for the preceding marketing year to be acquired to cover all wheat processed into food products during such preceding marketing year even though the food product may be marketed or removed for sale or consumption after the end of the marketing year.'

"(d) Section 379g is amended by inserting '(a)' after 'Sec. 379g' and adding a new subsection (b) as follows:

"(b) Whenever the face value per bushel of domestic marketing certificates for a marketing year is substantially different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary is authorized to take such action as he determines necessary to facilitate the transition between marketing years. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to sell certificates to persons engaged in the processing of wheat into food products covering such quantities of wheat, at such prices, and under such terms and conditions as the Secretary may by regulation provide. Any such certificate shall be issued by Commodity Credit Corporation."

"Sec. 505. The Agricultural Act of 1964 is amended as follows:

"(1) Amendment (7) of section 202 is amended by striking out '1964 and 1965' and substituting 'the calendar years 1964 through 1969'.

"(2) Amendment (13) of section 202 is amended by striking out 'only with respect to the crop planted for harvest in the calendar year 1965' and substituting 'with respect to the crops planted for harvest in the calendar years 1965 through 1969'.

"(3) Section 204 is amended by striking out '1964 and 1965' and substituting '1964 through 1969'.

"Sec. 506. Effective only with respect to the 1966 through 1969 crops, section 107 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445a), is amended to read as follows:

"Sec. 107. Notwithstanding the provisions of section 101 of this Act, for any marketing year—

"(1) (a) Price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, and (b) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(2) notwithstanding the provisions of paragraph (1), for the 1966 crop, price support for wheat accompanied by domestic marketing certificates shall be at 100 per centum of the parity price therefor, and price support for wheat not accompanied by marketing certificates shall be not less than \$1.25 per bushel. For any crop of wheat planted for harvest during the calendar years 1967 through 1969 for which the diversion factor established pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as

amended, is not less than 10 per centum, the total average rate of return per bushel made available to a cooperator on the estimated production of his allotment based on projected yield through loans, domestic marketing certificates, estimated returns from export marketing certificates, and diversion payments for acreage diverted pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, shall not be less than the total average rate of return per bushel made available to cooperators through loans and domestic marketing certificates for the 1966 crop.

"(3) Price support shall be made available only to cooperators, and

"(4) A "cooperator" with respect to any crop of wheat produced on a farm shall be a producer who (1) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (B) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (2) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c (b), but the producer shall not be eligible to receive price support on the wheat so stored."

"Sec. 507. Effective beginning with the crop planted for harvest in the calendar year 1967, section 339(a) (1) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the words 'national acreage allotment', wherever they appear, the following: '(less an acreage equal to the increased acreage allotted for 1966 pursuant to section 335)'.

"Sec. 508. Effective beginning with the crop planted for harvest in the calendar year 1966, section 379c(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end of the third sentence thereof a semicolon and the following: 'except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable,' and by adding at the end thereof of the following: 'An acreage on the farm not planted to wheat because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of wheat planted for harvest for purposes of this subsection provided such acreage is not subsequently planted to any other income-producing crops during such year. Producers on any farm who have planted not less than 90 per centum of the acreage of wheat required to be planted in order to earn the full amount of marketing certificates for which the farm is eligible shall be deemed to have planted the entire acreage required to be planted for that purpose.'

"Sec. 509. Section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(1) Paragraph (8) is amended by inserting '(A)' after '(8)' and adding the following new subparagraph:

"(B) 'Projected national yield' as applied to any crop of wheat shall be determined on the basis of the national yield per harvested acre of the commodity during each of the five calendar years immediately preceding the year in which such projected national yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices."

"(2) Paragraph (13) is amended by adding the following new subparagraphs:

"(J) 'Projected county yield' for any crop of wheat shall be determined on the

basis of the yield per harvested acre of such commodity in the county during each of the five calendar years immediately preceding the year in which such projected county yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.

"(K) 'Projected farm yield' for any crop of wheat shall be determined on the basis of the yield per harvested acre of such commodity on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (E) of this paragraph."

"Sec. 510. (a) Section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the 1966 crop, by striking out of the fifth sentence the words 'normal yield of wheat per acre established for the farm' and substituting therefor the words 'projected farm yield'.

"(b) Section 379i of the Agricultural Adjustment Act of 1938, as amended, is amended, effective as of the effective date of the original enactment of that section, by inserting in subsections (a) and (b) after the word 'who', wherever it appears, the word 'knowingly'.

"Sec. 511. (a) Effective beginning with the crop planted for harvest in 1966, paragraph (9) of section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out 'cotton' and 'wheat' and by adding at the end thereof the following: 'Normal production' as applied to any number of acres of cotton or wheat means the projected farm yield times such number of acres.

"(b) Public Law 74, Seventy-seventh Congress, as amended, is amended by changing the words 'normal yield of wheat per acre established for the farm' in paragraph (1) to the words 'projected farm yield'.

"Sec. 512. The national, State, county, and farm acreage allotments for the 1966 crop of wheat shall be established in accordance with the provisions of law in effect prior to the enactment of this Act.

"Sec. 513. (a) Section 379d(b) of the Agricultural Adjustment Act of 1938 is amended by striking out the second sentence and substituting the following: 'The cost of the export marketing certificates per bushel to the exporter shall be that amount determined by the Secretary on a daily basis which would make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States.'

"(b) Section 379c(a) of such Act is amended by striking out everything in the next to the last sentence beginning with the words 'United States' and substituting the following: 'United States. The Secretary shall also provide for the issuance of export marketing certificates to eligible producers at the end of the marketing year on a pro rata basis. For such purposes, the value per bushel of export marketing certificates shall be an average of the total net proceeds from the sale of export marketing certificates during the marketing year after deducting the total amount of wheat export subsidies paid to exporters.'

"(c) Section 379c(c) of such Act is amended by striking out 'and the face value per bushel of export certificates shall be the amount by which the level of price support for wheat accompanied by export certificates exceeds the level of price support for non-certificate wheat'.

"Sec. 514. Section 328 of the Food and Agriculture Act of 1962 is amended by add-

ing to the end thereof the following: 'In establishing terms and conditions for permitting wheat to be planted in lieu of oats and rye, the Secretary may take into account the number of feed units per acre of wheat in relation to the number of feed units per acre of oats and rye.'

"SEC. 515. Section 379c of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the crop planted for harvest in the calendar year 1964, by adding the following subsection:

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this Act preclude the issuance of marketing certificates, the Secretary may, nevertheless, issue such certificates in such amounts as he determines to be equitable in relation to the seriousness of the default."

"SEC. 516. Section 379e of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1966 through the 1969 wheat crops to persons engaged in the processing of food products at the face value thereof less any amount by which price support for wheat accompanied by domestic certificates exceeds \$2 per bushel."

"SEC. 517. Subsection (b) of section 379c of the Agricultural Adjustment Act of 1938 is amended by inserting immediately preceding the words 'stored' wherever it appears, in the fourth through the sixth sentences, the words 'delivered to the Secretary or', and by adding at the end thereof the following: 'Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce. Notwithstanding any other provision of this Act, the Secretary may provide that a producer shall not be eligible to receive marketing certificates, or may adjust the amount of marketing certificates to be received by the producer, with respect to any farm for any year in which a variety of wheat is planted on the farm which has been determined by the Secretary, after consultation with State Agricultural Experiment Stations, agronomists, cereal chemists and other qualified technicians, to have undesirable milling or baking qualities and has made public announcement thereof.'

"TITLE VI—CROPLAND ADJUSTMENT

"SEC. 601. The Soil Bank Act of 1956, as amended, is hereby repealed, except that it shall remain in effect with respect to contracts entered into prior to such repeal.

"SEC. 602. (a) Notwithstanding any other provision of law, for the purpose of reducing the costs of farm programs, assisting farmers in turning their land to nonagricultural uses, promoting the development and conservation of the Nation's soil, water, forest, wildlife, and recreational resources, establishing, protecting, and conserving open spaces and natural beauty, the Secretary of Agriculture is authorized to formulate and carry out a program during the calendar years 1965 through 1969 under which agreements would be entered into with producers as hereinafter provided for periods of not less than five nor more than ten years. No agreement shall be entered into under this section concerning land with respect to which the ownership has changed in the three-year period preceding the first year of the agreement period unless the new ownership was acquired by will or succession as a result of the death of the previous owner, or unless the new ownership was acquired prior to January 1, 1965, under other circumstances which the Secretary determines, and speci-

fies by regulation, will give adequate assurance that such land was not acquired for the purpose of placing it in the program: *Provided*, That this provision shall not be construed to prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this section: *Provided further*, That the Secretary shall not require a person who has operated the land to be covered by an agreement under this section for as long as three years preceding the date of the agreement and who controls the land for the agreement period to own the land as a condition of eligibility for entering into the agreement.

"(b) The producer shall agree (1) to carry out on a specifically designated acreage of land on the farm regularly used in the production of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage and which have been planted within 5 years preceding the date of the agreement), hereinafter called 'designated acreage', and maintain for the agreement period practices or uses which will conserve soil, water, or forest resources, or establish or protect or conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution, in such manner as the Secretary may prescribe (priority being given to the extent practicable to practices or uses which are most likely to result in permanent retirement to non-crop uses); (2) to maintain in conserving crops or uses or allow to remain idle throughout the agreement period the acreage normally devoted to such crops or uses; (3) not to harvest any crop from or graze the designated acreage during the agreement period, unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing or harvesting of such acreage, determines that it is necessary to permit grazing or harvesting in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing or harvesting subject to an appropriate reduction in the rate of payment; and (4) to such additional terms and conditions as the Secretary determines are desirable to effectuate the purposes of the program, including such measures as the Secretary may deem appropriate to keep the designated acreage free from erosion, insects, weeds, and rodents. Agreements entered into under which 1966 is the first year of the agreement period (A) shall require the producer to divert from production all of one or more crops designated by the Secretary; and (B) shall not provide for diversion from the production of upland cotton in any county in which the county committee by resolution determines, and requests of the Secretary, that there should not be such diversion in 1966.

"(c) Under such agreements the Secretary shall (1) bear such part of the average cost (including labor) for the county or area in which the farm is situated of establishing and maintaining authorized practices or uses on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of the program, but not to exceed the average rate for comparable practices or uses under the agricultural conservation program, and (2) make an annual adjustment payment to the producer for the period of the agreement at such rate or rates as the Secretary determines to be fair and reasonable in consideration of the obligations undertaken by the producers. The rate or rates of annual adjustment payments as determined hereunder may be increased by an amount determined by the Secretary to be appropriate in relation to the benefit to the general public of the use of the designated acreage if the producer further agrees to permit, without other compensation, access to such acreage by the general public, during the agreement period, for hunting, trapping, fishing, and hiking, subject to ap-

plicable State and Federal regulations. The Secretary and the producer may agree that the annual adjustment payments for all years of the agreement period shall be made either upon approval of the agreement or in such installments as they may agree to be desirable: *Provided*, That for each year any annual adjustment payment is made in advance of performance, the annual adjustment payment shall be reduced by 5 per centum. The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program.

"(d) The Secretary shall, unless he determines that such action will be inconsistent with the effective administration of the program, use an advertising and bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under contract in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community.

"(e) The annual adjustment payment shall not exceed 40 per centum of the estimated value, as determined by the Secretary, on the basis of prices in effect at the time the agreement is entered into, of the crops or types of crops which might otherwise be grown. The estimated value may be established by the Secretary on a county, area, or individual farm basis as he deems appropriate.

"(f) The Secretary may terminate any agreement with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements as he may determine to be desirable to carry out the purposes of the program or facilitate its administration.

"(g) Notwithstanding any other provision of law, the Secretary of Agriculture may, to the extent he deems it desirable, provide by appropriate regulations for preservation of cropland, crop acreage, and allotment history applicable to acreage diverted from the production of crops in order to establish or maintain vegetative cover or other approved practices for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation or for participation in such program. Subsections (b)(3) and (4) and (e)(6) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, are repealed, except that all rights accruing thereunder to persons who entered into contracts or agreements prior to such repeal shall be preserved.

"(h) In carrying out the program, the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

"(i) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for carrying out the program to any other Federal agency or to States or local government agencies for use in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action.

"(j) The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action.

"(k) In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1966 through June 30, 1968 or during the period June 30, 1968 through December 31, 1969, enter into agreements with producers which would require payments to producers in any calendar year under such agreements in excess of \$225,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such prior fiscal years. For purposes of applying this limitation, the annual adjustment payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made.

"(l) The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this program, including payment of costs of administration: *Provided*, That after December 31, 1966, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this title unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this title. There are hereby authorized to be appropriated such sums as may be necessary to carry out the program, including such amounts as may be required to make payments to the Corporation for its actual costs incurred or to be incurred under this program.

"(m) In case any producer who is entitled to any payment or compensation dies, becomes incompetent, or disappears before receiving such payment or compensation, or is succeeded by another who renders or completes the required performance, the payment or compensation shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and so provide by regulations.

"(n) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments or compensation under this program.

"(o) The acreage on any farm which is diverted from the production of any commodity pursuant to an agreement hereafter entered into under this title shall be deemed to be acreage diverted from that commodity for the purposes of any commodity program under which diversion is required as a condition of eligibility for price support.

"(p) The Secretary may, without regard to the civil service laws, appoint an Advisory Board on Wildlife to advise and consult on matters relating to his functions under this title as he deems appropriate. The Board shall consist of twelve persons chosen from members of wildlife organizations, farm organizations, State game and fish agencies, and representatives of the general public. Members of such Advisory Board who are not regular full-time employees of the United States shall not be entitled to any compensation or expenses.

"(q) The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

"TITLE VII—MISCELLANEOUS

"SEC. 701. Section 374(a) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"(a) The Secretary shall provide for ascertaining, by measurement or otherwise, the acreage of any agricultural commodity or land use on farms for which the ascertainment of such acreage is necessary to determine compliance under any program administered by the Secretary. Insofar as practicable, the acreage of the commodity and land use shall be ascertained prior to harvest, and, if any acreage so ascertained is not in compliance with the requirements of the program the Secretary, under such terms and conditions as he prescribes, may provide a reasonable time for the adjustment of the acreage of the commodity or land use to the requirements of the program."

"SEC. 702. Section 374(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the first sentence thereof.

"SEC. 703. Subsection (a) of section 316 of the Agricultural Adjustment Act of 1938, as amended, is amended (i) by striking out of the first sentence thereof '1962, 1963, 1964, and 1965,' and inserting '1962 through 1969' and (ii) by striking out of the last sentence thereof '1964 or 1965' and inserting '1964 through 1969'.

"Notwithstanding the provisions of subsection 316(c) and subsection 317(f) relating to lease and transfer of allotments for years subsequent to 1965, of the Agricultural Adjustment Act of 1938, as amended, whenever acreage-poundage quotas are in effect for any kind of tobacco as provided in Section 317 of the Act, except in the case of burley tobacco, and other kinds of tobacco not subject to Section 316, the lease and transfer shall be on a pound for pound basis and the acreage allotment for the lessee farm shall be increased by an amount determined by dividing the number of pounds leased by the farm yield for the lessee farm, and the acreage allotment for the lessor farm shall be reduced by an amount determined by dividing the number of pounds leased by the farm yield for the lessor farm.

"SEC. 704. The last paragraph of the Act entitled 'An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes', approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows:

" 'This amendment shall be effective for the 1957 through 1969 crops of peanuts.' "

"SEC. 705. The Secretary of Agriculture shall make a study of the parity income position of farmers, including the development of criteria for measuring parity income of commercial family farmers and the feasibility of adapting such criteria to major types of farms and to selected counties. The Secretary shall report the results of such study to the Congress not later than June 30, 1966.

"SEC. 706. Notwithstanding any other provision of law, the Secretary, upon the request of any agency of any State charged with the administration of the public lands of the State, may permit the transfer of acreage allotments or feed grain bases together with relevant production histories which have been determined pursuant to the Agricultural Adjustment Act of 1938, as amended, or section 16 of the Soil Conservation and Domestic Allotment Act, as amended, from any farm composed of public lands to any other farm or farms in the same county composed of public lands: *Provided*, That as a condition for the transfer of any allotment or base an acreage equal to or greater than the allotment or base transferred prior to adjustment, if any, shall be devoted to and maintained in permanent vegetative cover on the farm from which the transfer is made. The Secretary shall prescribe regulations which he deems necessary for the administration of this section, which may provide for adjusting downward the size of the allotment or base transferred if the farm to which the allotment or base is transferred normally has a higher yield per acre for the commodity

for which the allotment or base is determined, for reasonable limitations on the size of the resulting allotments and bases on farms to which transfers are made, taking into account the size of the allotments and bases on farms of similar size in the community, and for retransferring allotments or bases and relevant histories if the conditions of the transfer are not fulfilled.

"SEC. 707. The Agricultural Adjustment Act of 1938, as amended, is amended by inserting after section 378 the following new section:

" 'RECONSTITUTION OF FARMS

" 'SEC. 379. In any case in which the ownership of a tract of land is transferred from a parent farm, the acreage allotments, history acreages, and base acreages, for the farm shall be divided between such tract and the parent farm in the same proportion that the cropland acreage in such tract bears to the cropland acreage in the parent farm, except that the Secretary shall provide by regulation the method to be used in determining the division, if any, of the acreage allotments, histories, and bases in any case in which—

" '(1) the tract of land transferred from the parent farm has been or is being transferred to any agency having the right to acquire it by eminent domain;

" '(2) the tract of land transferred from the parent farm is to be used for nonagricultural purposes;

" '(3) the parent farm resulted from a combination of two or more tracts of land and records are available showing the contribution of each tract to the allotments, histories, and bases of the parent farm;

" '(4) the appropriate county committee determines that a division based on cropland proportions would result in allotments and bases not representative of the operations normally carried out on any transferred tract during the base period; or

" '(5) the parent farm is divided among heirs in settling an estate.

" '(6) neither the tract transferred from the parent farm nor the remaining portion of the parent farm receives allotments in excess of allotments for similar farms in the community having allotments of the commodity or commodities involved and such allotments are consistent with good land uses, but this clause (6) shall not be applicable in the case of burley tobacco.' "

"SEC. 708. Notwithstanding any other provision of law, in the determination of farm yields the Secretary may use projected yields in lieu of normal yields. In the determination of such yields the Secretary shall take into account the actual yield proved by the producer for the base period used in determining the projected yield, and the projected yield shall not be less than such actual yield proved by the producer.

"SEC. 709. The Secretary of Agriculture is hereby authorized to use funds of the Commodity Credit Corporation to purchase sufficient supplies of dairy products at market prices to meet the requirements of any programs for the schools (other than fluid milk in the case of schools), domestic relief distribution, community action, foreign distribution, and such other programs as are authorized by law, when there are insufficient stocks of dairy products in the hands of Commodity Credit Corporation available for these purposes.

"TITLE VIII—RICE

"SEC. 801. Section 353(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new paragraph at the end thereof:

" '(7) If the national acreage allotment for rice for 1966, 1967, 1968, or 1969 is less than the national acreage allotment for rice for 1965, the Secretary shall formulate and carry out an acreage diversion program for rice for such year designed to support the gross income of rice producers at a level not lower than that for 1965, minus any reduc-

tion in production costs resulting from the reduced rice acreage. Under such program conservation payments shall be made to producers who comply with their rice acreage allotments, devote to an approved conservation use an acreage of cropland on the farm equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor, and comply with such additional terms and conditions as the Secretary may prescribe. The diversion factor shall be determined by dividing the number of acres by which the national acreage allotment is reduced below the national acreage allotment for 1965 by the number of acres in the national acreage allotment. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops; but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. Such program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. The Secretary shall provide for the sharing of payments under this paragraph among producers on the farm on a fair and equitable basis as determined by the Secretary. The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this paragraph and to pay administrative expenses necessary in carrying out this paragraph.

"SEC. 802. Section 403 of the Agricultural Act of 1949, as amended, is amended by inserting at the end thereof the following: 'In determining support prices for the 1966 and 1967 crops of rice the Secretary shall, notwithstanding the foregoing or any other provision of law, use head and broken rice value factors for the various varieties which (1) are not lower than those used with respect to the 1965 crop, and (2) do not differ as between any two varieties by a greater amount than the value factors used with respect to the 1965 crop for such two varieties differed.'"

And the Senate agree to the same.

HAROLD D. COOLEY,
W. R. POAGE,
WATKINS M. ABBITT,
HARLAN HAGEN,
FRANK A. STUBBLEFIELD,
GRAHAM PURCELL,

Managers on the Part of the House.

ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
HERMAN E. TALMADGE,
MILTON R. YOUNG,
JOHN SHERMAN COOPER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill, H.R. 9811, to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government

costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate struck out all after the enacting clause of H.R. 9811 and substituted a Senate amendment which, while dealing with the same subject matter, differed from it in several major respects. The amendment herewith reported embodies the agreement of the conferees on the various points of difference in the House bill and the Senate amendment and was agreed to by the conferees as a substitute for the Senate amendment.

The conference substitute follows the structure of the House bill as to the order and arrangement of titles. It adds at the end a title relating to rice which was not in the House bill.

Following is a summary of the substitute amendment as agreed to by the conferees:

TITLE I—DAIRY

The class I dairymen's base plan embraced in the first title seeks to reduce surplus milk production and stabilize the income of dairy farmers in the 75 Federal milk order areas by removing the necessity for dairymen to produce surplus milk in order to preserve their individual participation in the markets for milk for fluid consumption.

The Conference adopted all of title I of the House bill which includes provisions dealing with (a) individual voting in a farmer referendum on the class I base plan, (b) leaving the legal status of producer-handlers unchanged, (c) authorizing marketing orders for manufacturing milk and (d) entry of new producers into class I base plan order markets.

Two Senate dairy provisions were adopted. These deal with (a) an "anti-dumping" provision to prevent disruption of other markets, and (b) allowing the Commodity Credit Corporation to purchase dairy products (except fluid milk for schools) for domestic and foreign donation programs even though these dairy products are not in the CCC inventory. The latter authority appears in the miscellaneous title of the bill.

TITLE II—WOOL

Continues the National Wool Act of 1954 through December 31, 1969, with modifications intended to increase the production of wool in the United States. The conference accepted the Senate formula for the minimum price support floor. This would fix the support level for shorn wool at the present level of 62 cents a pound increased by the same percentage as the percentage increase in the parity index. This would fix the support price at 65 cents a pound for 1966, about 66 cents for 1967, with the support levels for 1968 and 1969 depending on further changes in the parity index. The Senate provision on small flocks was deleted.

TITLE III—FEED GRAINS

This title continues for 4 years the provisions of the present Feed Grains Program for price-support loans, purchases, and in-kind payments to program participants at about the same levels of recent years. Participants by diverting acreage from feed grain production to conservation uses would receive, as in the past, payments-in-kind to help maintain income.

The conference accepted the House bill with the Senate amendment which permits the Secretary to set the total price support (both loan and payments), at a range between 65 and 90 percent of parity. The House had set a minimum loan of 65 percent of parity. The change allows the Secretary to lower the present loan and increase the present price support payment. The Senate

provision authorizing an alternative feed grain program was deleted by the conference.

A requirement of the feed grain, cotton, and wheat programs is that land taken out of the production of these crops be devoted to conservation uses. Each farm has established a conservation base which is the average acreage of conserving uses on the farm for 1959 and 1960. Since 1963, noncropland which has been cleared and made into cropland has been added to the conservation base. The Department of Agriculture has agreed for 1966 that the farm conservation base will not reflect the acreage of noncropland brought into a cropland status since the base period 1959-1960, if such new cropland was not devoted to the production of crops in surplus. This means that this new cropland which has been devoted to the production of soybeans will not be added to the conserving base.

TITLE IV—COTTON

The one-price cotton program, wherein American mills buy U.S. cotton at the same price it is offered to foreign mills, is extended for 4 years, through 1969, with modifications. The conference substitute provides:

(1) Continuation of the 16-million-acre national minimum allotment for cotton, but establishes a domestic allotment within the farm allotment which will be not less than 65 percent of each farm allotment.

(2) Mandatory 12½-percent reduction for 1966 (instead of 15 percent in the House bill) from the farm acreage allotment for each farmer participating in the program, except for small farmers who are exempt from mandatory acreage cuts and receive special treatment with respect to income. After 1966 the extent of mandatory reduction will be not more than 12½ percent, as determined by the Secretary.

(3) Loans to cooperators at not more than 90 percent of the estimated average world market price for cotton (1966—21 cents), available on the actual production of co-operators, plus price support payments to these cooperators, in an amount calculated to reflect not less than 65 percent of parity on the projected yield of their acreage permitted to be devoted to cotton.

(4) Payments for retired acreage at the rate of not less than 25 percent of the parity price multiplied by the projected yield of the acreage required to be retired (up to 40 percent of parity on the balance) the farmer (except those under the small farm exemption) being required to retire 12½ percent of his effective allotment and having the option of retiring an additional 22½ percent of his allotment, to a total of 35 percent.

(5) A small farm exception stipulating that there will not be mandatory reduction in the acreage of farmers with allotments of 10 acres or less or for those farmers whose projected yield of the farm allotment is 3,600 pounds or less, that these small farmers will receive on their production the same level of price support provided for other producers without making the reduction required of other producers, and a land retirement payment as if they had reduced their acreage by 35 percent. If a small farmer chooses to reduce his acreage to any level down to 65 percent of his allotment, he will receive an additional diversion payment at the rate for voluntary diversion on this acreage.

(6) Any producer with an allotment may stay out of the program, receive no price support or payments, and plant and sell cotton into export without penalty, with the national total of such nonprogram acreage not to exceed 250,000 acres in 1966 and with a stipulation that this total would be reduced in 1967, 1968, and 1969 unless there is a proportionate reduction in the national carry-over of cotton.

(7) Allotted cotton acreage released by farmers not wanting to plant any cotton in a given year may be reapportioned to other farmers within the county or in other counties within the state if not wanted within the county where released. Farmers releasing 87½ percent of their allotments for reapportionment would be eligible for diversion payments on 12½ percent of the allotment.

(8) Sale or lease of cotton acreage allotments between farmers is authorized within a county, or in other counties of the same state if farmers within the county approve in a referendum the movement of allotments to purchasers in other counties.

(9) Cotton farmers may assign their direct price support and diversion payments to private lending agencies in obtaining production loans.

(10) Exchange of rice and cotton allotments, within a county or an adjoining county, is authorized under terms and conditions approved by the Secretary.

(11) The price support payment is to be made one-half at the time the farmer signs up for the program, and the time of the second half of the payment is left to the Secretary's discretion. The House conferees receded from the position that the balance of payments to producers may be made only when the producer divests himself of interest in the cotton and concurred in the provision that the balance of such payments shall be made at such time as the Secretary may determine.

The committee of conference emphasizes, however, that the programs authorized by the bill are designed to move cotton into trade channels for domestic consumption and export. Reduced use of the CCC price support loan program is contemplated. In any instance where the Secretary finds that warehousemen, marketing associations, merchants or others engaged in handling cotton for producers, or participating in the program to make price support loans available to producers, are taking actions which encourage undue entries of cotton into the loan program, the Secretary shall take such corrective measures as may be necessary.

One of the major purposes of the bill is to reduce domestic production of cotton. Strong incentives are provided in the form of direct payments to producers who cooperate by planting less than their allotted cotton acreages. Very few farmers will forego participating in the program. If this approach proves effective, production will be less than domestic consumption and exports and the surplus stocks held by CCC can be gradually liquidated with minimum adverse effects on world markets. Reduced stocks in the United States will, of course, result in a better supply-demand balance for cotton on a worldwide basis. This will benefit all countries which produce cotton.

The bill represents a significant step toward establishing a free market for cotton in the United States. It is a step toward doing what other countries have been asking the United States to do for many years. The new CCC loan rate will no longer constitute an incentive to farmers to produce unneeded supplies of cotton.

With the loan rate at 21 cents for the 1966 crop and at not more than 90 percent of the estimated world price for 1967, 1968, and 1969, most of the annual production would be expected to move directly to markets through normal commercial channels of trade, with CCC having a substantially reduced role in making loans and merchandising cotton. Many foreign cotton-producing countries have expressed an interest in this arrangement for U.S. cotton.

Under the new program the U.S. export price for cotton is expected to be more competitive with prices in other exporting countries. The U.S. Government's cotton policy will be administered in a responsible manner as in the past. It is not the intention of the

Congress that large quantities of CCC stocks be dumped on world markets at fire-sale prices.

TITLE V—WHEAT

This title authorizes continuation of the voluntary wheat certificate program for 4 years with modifications of current provisions aimed at boosting wheat farmers' income by about \$200 million a year, and providing more freedom in the marketing system. Basically, it would call for a wheat program for the 1966 through 1969 period similar to the one in effect for the 1964 and 1965 crops.

The significant change from current operations would provide for price support for wheat used domestically as food at 100 percent of parity, and a variable export certificate, to supplement wheat farmers' income. The support price for wheat for domestic food use would be increased about 57 cents a bushel to around \$2.57. This increase would be accomplished by Government payments of 57 cents a bushel. Domestic wheat users would continue to purchase certificates at the difference between the loan rate and \$2 a bushel on the amount of wheat used.

The conference bill increases the total price support on wheat about 3½ cents a bushel over the House bill, to achieve a minimum support level of \$1.84½ per bushel for wheat during each of the next 4 years. The escalated domestic certificate provision in the Senate bill—relating the price of the certificate to the price of bread—was deleted. In this connection, however, it is the request of the committee of conference that the Secretary of Agriculture conduct a continuing study of bread prices and that he report to the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House any increases in bread prices which do not appear to be justified by increased costs of labor, materials, and other factors.

The Senate provision dealing with the exemption for second clears was adopted by the conference. This change reflects an agreement reached between all the corn and wheat industries and the Department of Agriculture as explained in the Senate Committee Report and is in accord with the basic intent of the House provision.

It is the intention of the committee of conference that the Secretary affirmatively implement the exemption provided herein so that it will become operative and provide relief from the certificate liability imposed by this act not later than 60 days following enactment of this act.

Language adopted by the conference with respect to the rate of return per bushel of wheat follows:

"For the 1966 crop, price supports for wheat accompanied by domestic certificates shall be at 100 percent of the parity price therefor, and price supports for wheat not accompanied by marketing certificates shall be not less than \$1.25 per bushel. For any crop of wheat planted for harvest during the calendar years 1967 through 1969 for which the diversion factor is not less than 10 percent, the total average rate of return per bushel made available to cooperators on the estimated production of his allotment based on projected yield through loans, domestic marketing certificates, estimated returns from export marketing certificates, and diversion payments for acreage diverted pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, shall not be less than the total average rate of return per bushel made available to cooperators through loans and domestic marketing certificates for the 1966 crop."

TITLE VI—CROPLAND ADJUSTMENT

Under this title the Secretary would be authorized to enter into 5- to 10-year contracts with farmers calling for conversion of cropland into vegetative cover, water stor-

age facilities or other soil, water, wildlife or forest conserving uses. Payments under such contracts would be at a rate of not more than 40 percent of the annual market value of the crop that would have been produced on the land, as determined by the Secretary. It is expected that about 8 million acres per year would be added to this program until it reaches its peak participation of 40 million acres in 1970. The Secretary is authorized to obligate not more than \$225 million per year in new contracts signed during each of the next four years, so that by the end of the sign-up period contracts in force could involve payments to a maximum of \$900 million annually.

The conference committee also agreed to (a) make tame hay, alfalfa and clovers eligible cropland for purposes of the program, (b) require a farmer to place all of at least one surplus crop into the program in 1966 in order to be eligible to participate (after 1966, the Secretary would have discretion to set the required percentage), (c) require prior ownership of the farm for at least 3 years before it could be placed in the program, (d) require the Secretary to use the old procedure in signing up cropland unless he should find such a procedure is not feasible, (e) allow either lump sum or annual payments, (f) for 1966, cotton acreage in a county could be excluded from the program at the request of the county Agricultural Stabilization and Conservation Committee (ASCC), (g) authorize a wildlife advisory board which would serve without compensation or travel allowance, and (h) authorize additional payments to farmers who permit their land to be used, in cooperation with a State agency, for hunting, fishing, etc.

The committee of conference was concerned lest the cumulative effect of acreage reduction under both the cotton program and the CAP program should severely damage the economy of many cotton producing areas. It has, therefore, incorporated the requirement that the Secretary shall consider the impact of acreage retirement on the community—as well as the county (as provided in House bill).

The conferees also obtained from the Secretary of Agriculture the following letter regarding his intention to limit cropland retirement under the CAP program:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., Sept. 28, 1965.

HON. HAROLD D. COOLEY,
Chairman, Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: A question has been raised as to the extent to which the Department would expect to contract for reductions in base and allotment crops in any county under the cropland adjustment program proposed in H.R. 9811.

It would be the intent of the Department to limit the acreage contracted in any year insofar as a base or allotment crop is concerned to not more than 10 percent of the allotment or base acreage for that crop in the county. It would be our intent to further limit the acreage contracted over the life of the program to not more than 25 percent of the base or allotment for the crop for the county unless responsible representatives of the county government and the elected farmer ASCS committee for the county agreed that more than 25 percent could be contracted without adversely affecting the economy of the county.

Sincerely,

ORVILLE L. FREEMAN.

TITLE VII—MISCELLANEOUS

Section 701 and section 702 repeal the provisions that acreage on all farms participating in crop allotment programs must be measured and provide that the Secretary may use other methods such as certification and spot-checking to determine compliance

with program objectives. The House bill had authorized this for all crops except peanuts and tobacco.

Section 703 extends for four years (the same as the House bill) authority for leasing of tobacco acreage but adds the provision that for tobacco being allotted on an acreage-poundage basis, leases may be made on the basis of pounds, rather than acres.

Section 704 extends the definition of "boiling peanuts" for four years (instead of the permanent extension provided in the House bill).

Section 705 directs the Secretary of Agriculture to make a study of the parity income position of farmers and report thereon to Congress not later than June 30, 1966. This combines related but somewhat different provisions in the House and Senate bills.

Section 706 is the House provision authorizing any State agency administering public lands to transfer an acreage allotment from one farm to another in the same county.

Section 707 enacts into law provisions of administrative regulations relating to the reconstitution of farms.

Section 708 authorizes the Secretary to use projected yields in lieu of normal yields in connection with all farm programs.

Section 709 authorizes the Secretary of Agriculture to use CCC funds for the purchase of dairy products when there is not a sufficient supply of such products in the Commodity Credit Corporation to meet commitments.

FARM LABOR

A provision relating to farm labor was in the Senate bill but was deleted on the Floor by a narrow margin. In spite of the fact that there is no provision with respect to farm labor in either the House or Senate bills, the committee of conference recognizes that the success of any agricultural enterprise is dependent upon an adequate labor force to carry out the farming operations. It has voted to include in this statement of managers the following statement on this subject by the committee of conference:

"The committee of conference emphasizes that an adequate force of capable labor is essential to the efficient production and harvesting of agricultural commodities. It is deeply concerned over the inadequate supply of such labor this year, particularly to the producers of perishable crops.

"Agricultural labor shortages in 1965 have had serious consequences. Crops have been lost. Plantings have been reduced because of uncertainty created by governmental policies with respect to agricultural labor. Crops lost or not planted because of inadequate labor will necessarily injure the consumer and the economy as well as the farmer. They will also reduce the number of job opportunities in agriculture and related industries.

This shortage of capable labor has resulted from administrative actions which have failed to sufficiently recognize the needs and problems of agriculture and which have imposed requirements on farmers never authorized by Congress. To avoid the subordination of agriculture's interests, it is the unanimous view of the conferees that the Secretary of Agriculture should collect necessary facts concerning requirements for and availability of agricultural labor and submit such information to the Attorney General in connection with determinations as to whether farmers are to have needed supplemental foreign labor.

"The Congress recognized the need for such information and made provision therefor by authorizing the Attorney General, in carrying out his responsibilities, to consult with appropriate agencies of government. There is no question but that the Department of Agriculture is the appropriate agency to determine facts concerning the requirements of agriculture and the extent to which, and timeliness by which, they are being met.

"It is the opinion of the conferees that under the practice now prevailing in which the Attorney General has relied almost entirely on the Department of Labor, the findings and recommendations of the Secretary of Labor have been in many instances too little and too late to meet the critical needs of producers."

TITLE VIII—RICE

Title VIII of the conference substitute provides for a 4-year rice diversion program, effective only when the national allotment is reduced below that for 1965. The House bill contained no such provision. Under the provision agreed to by the conferees, if rice acreage allotments fall below the 1965 level, the Secretary will be required to carry out a diversion program similar to that for other commodities. The title also provides that for 1966 and 1967, rice value factors may not be reduced and differentials between value factors for the various varieties could not be increased.

HAROLD D. COOLEY,
W. R. POAGE,
WATKINS M. ABBITT,
HARLAN HAGEN,
FRANK A. STUBBLEFIELD,
GRAHAM PURCELL.

Managers on the Part of the House.

APPOINTMENT OF HOUSE CONFEREES ON H.R. 9567, THE HIGHER EDUCATION ACT OF 1965

The SPEAKER. The Chair appoints as a manager on the part of the House at the conference on the disagreeing votes of the two Houses on the bill H.R. 9567, the Higher Education Act of 1965, the gentleman from Maryland, Mr. SICKLES, to fill the existing vacancy thereon caused by the resignation from the House of the gentleman from California, Mr. Roosevelt.

The Clerk will notify the Senate of the action of the House.

AUTHORIZING A CONTRIBUTION TO CERTAIN INHABITANTS OF THE RYUKYU ISLANDS

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 600 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 600

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S.J. Res. 32) to authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury to persons, and for use of and damage to private property, arising from acts and omissions of the United States Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952. After general debate, which shall be confined to the joint resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without inter-

vening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 600 provides an open rule with 1 hour of general debate for consideration of Senate Joint Resolution 32, a joint resolution to authorize a contribution to certain inhabitants of the Ryukyu Islands for death and injury to persons, and for use of and damage to private property, arising from acts and omissions of the U.S. Armed Forces, or members thereof, after August 15, 1945, and before April 28, 1952.

During the 7-year occupation of the Ryukyu Islands by the U.S. Armed Forces approximately 80,000 Ryukyans suffered various damages arising from acts or omissions of the Armed Forces and later submitted claims totaling over \$53 million. The total claims of \$53 million were reduced through review to \$22 million proposed by Senate Joint Resolution 32. These are not war claims. They do not involve damages which occurred during the war nor for postwar rehabilitation of war-damaged areas. Basically the claims are for damages suffered during the occupation period and fall into two categories: First, claims for torts committed by U.S. military personnel, resulting in injury to or the death of Okinawans or damage to their private property. Second, claims for the requisitioning of their property—mostly agricultural land—for use by the military.

Subsequent to the occupation, such claims were waived in the Japanese Peace Treaty of 1952. Because of this claimants through no fault of their own have been left uncompensated for damages which occurred during the 7-year occupation. The Ryukyu Islands and its inhabitants have played a major role in our defense effort in the Far East and the prospects are that they will continue to do so for some time. The proposed payments should provide effective redress for an acknowledged inequity and promote the American image of fairplay throughout the area.

Mr. Speaker, I urge the adoption of House Resolution 600 in order that Senate Joint Resolution 32 may be considered.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, House Resolution 600 will provide for an open rule, with 1 hour of general debate, for consideration of Senate Joint Resolution 32.

The purpose of this resolution is to authorize a contribution of not to exceed \$22 million to the inhabitants of the Ryukyu Islands for settlement of injury and death claims arising from acts of the U.S. military forces on the islands from August 15, 1945, to April 28, 1952. This was the date of the signing of the peace treaty with Japan. During this time American forces occupied the islands.

Damages were caused. These have been fixed at \$22 million.

The U.S. Government does not have any legal obligation to pay, as Japan waived all claims of her nationals by treaty. Japan has refused to pay these claims herself, as she has no administrative control over the islands during the period involved. Therefore, the United States wants to pay for damages done by its forces.

We have a number of major military installations there at Okinawa, of the Air Force, the Navy, the Marines, and so forth.

Those who may receive compensation are limited to individuals whose claims have not been satisfied by the Japanese Government. Cities may not make claims. This will save approximately \$1 million and the committee, in my opinion, is to be credited for making that change.

The committee report recommends payment without any minority views. It pointed out that this resolution settles the matter fully and will terminate all U.S. obligations for the period between Japan's surrender and the signing of the peace treaty.

Mr. Speaker, I know of no objection to the rule. At this time I yield 2 minutes to the gentleman from Virginia [Mr. POFF].

(Mr. POFF asked and was given permission to speak out of order.)

Mr. POFF. Mr. Speaker, each Member of the House and Senate is distressed to learn about the need for the impending surgical operation of the President. That event brings into sharp focus the urgency and the utility of the Presidential Inability Constitutional Amendment recently proposed by the two House of Congress and submitted to the several States for their ratification. Specifically, Mr. Speaker, section 3 of that amendment was tailor-made for precisely such a development. Section 3 permits the President voluntarily, when he foresees the need temporarily to vacate the discharge of the duties of his office, to transfer his powers and duties to the Vice President as acting President of the United States.

The current Executive agreement under which the President and the Vice President are operating, one which dates back to the Eisenhower administration, is perhaps as functional as any such agreement can be. However, Mr. Speaker, constitutional scholars are in dispute about the legality of such an Executive agreement. Many feel that it is impossible for the President, elected by all of the people of the United States, to delegate to some other person the powers and duties of the office to which he was elected, as those powers and duties are spelled out in the Constitution.

For that reason, Mr. Speaker, I earnestly hope that the legislatures of the States which convene next January will give priority to the consideration of what I confidently predict will be the 25th amendment to the Constitution.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SOUTHERN NEVADA WATER PROJECT, NEVADA

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules and on behalf of the gentleman from Florida [Mr. PEPPER], I call up House Resolution 597 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 597

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2020) to authorize the Secretary of the Interior to construct, operate, and maintain the southern Nevada water project, Nevada, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto for final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from California [Mr. SMITH], and pending that I yield myself such time as I may consume.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. SISK. Mr. Speaker, House Resolution 597 provides an open rule with 1 hour of general debate for consideration of H.R. 2020, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the southern Nevada water project, Nevada, and for other purposes.

H.R. 2020 authorizes construction by the Secretary of the Interior of the southern Nevada water project, which is essentially a municipal and industrial water supply project by which water stored in Lake Mead will be delivered for use at various locations in Clark County, Nev.

The works authorized to be constructed consist of intake facilities, pumping plants, aqueducts and laterals, storage and regulatory facilities, and electric facilities necessary to serve the water supply system. The plan of development calls for construction in three stages at a total cost of about \$81 million. The first stage of development is designed to meet the water needs in the area until about 1990 and is estimated to cost about \$49 million. The other two stages would be constructed as needed.

The project water supply will come from Lake Mead and from Nevada's entitlement to main stream Colorado River water. The delivery requirement for the first stage will be up to 132,000 acre-feet

of water annually. The second stage would provide for annual delivery of an additional 86,000 acre-feet which is expected to occur by 2008. The estimated delivery requirement for ultimate development is 312,000 acre-feet occurring in about 2020. The estimated net depletion of main stream Colorado River water by all three stages of the project and existing systems is about 262,000 acre-feet annually.

The economic evaluation over a 100-year period of analysis indicates that the total annual benefits will exceed the average annual costs in a ratio of 1.5 to 1 for the first stage and 1.6 to 1 for the ultimate project. The entire project cost is assigned to the municipal and industrial water supply function.

Mr. Speaker, I urge the adoption of House Resolution 597 in order that H.R. 2020 may be considered.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, House Resolution 597 does provide for an open rule with 1 hour of general debate for the consideration of H.R. 2020, entitled "The Southern Nevada Water Project."

The purpose of the bill is to authorize the construction of the southern Nevada water project, a municipal and industrial water supply program, using Lake Mead water to supply Clark County, Nev. Within the county are Las Vegas, North Las Vegas, and Boulder City, as well as Nellie Air Force Base, an Atomic Energy Commission installation, and the entire El Dorado valley.

The project includes pumping plants, aqueducts, and storage facilities. A three-stage program is eventually planned; only the first will be constructed at this time and will fill the needs of the area until 1990. The entire project cost is estimated at \$81 million, the first stage at \$49 million. The other two stages will be constructed as needed. Present estimates indicate the second will be needed in 2008, the third in 2020.

Presently the water supply for the area is pumped from an underground basin. At the current rate of use it is estimated that three times as much water is being pumped out as is being replaced by nature. There is no problem as to the Colorado River; the amount of water needed is well within Nevada's share.

Mr. Speaker, I know of no objection to the rule and I urge its adoption.

Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued Oct. 11, 1965
For actions of Oct. 8, & 9, 1965
89th-1st, Nos. 187 & 188

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HIGHLIGHTS: House agreed to conference report on farm bill. Senate received supplemental appropriations proposal for 1966, including items of interest to this Dept. Rep. Findley criticized sugar lobbyists. Rep. Langen stated there is need to amend grain grade standards. Rep. Shriver suggested reevaluation and revision of Sugar Act. Rep. Shriver urged ban on aid to countries doing business with Vietnam, including withholding of sugar quotas.

HOUSE

1. FARM PROGRAM. By a 219-150 vote agreed to the conference report on H. R. 9811, the farm bill (pp. 25466-80). See Digest 185 for provisions of the bill.
2. EDUCATION. Concurred in Senate amendment to H. R. 7743, to establish a system of loan insurance and a supplementary system of direct loans, to assist students to attend post-secondary business, trade, technical, and other vocational schools. This bill will now be sent to the President pp. 25457-62
3. STOCKPILE. Concurred in Senate amendment to H. R. 6852, to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 47,000,000 pounds of abaca from the national stockpile. This bill will now be sent to the President. p. 25466

4. SUGAR. Rep. Findley criticized activities of the sugar lobbyists. pp. 25483, 25486
5. PERSONNEL. Rep. Nelsen criticized CSC's "lack of action" in resolving certain political "arm-twisting cases" and Reps. Nelsen and Goodell discussed the establishment of a special GOP task force on the Federal civil service system. pp. 25480, 25483
6. GRAINS. Rep. Langen urged an amendment to the grain grade standards to include high moisture content grains, due to heavy rains, under USDA storage loans. p. 25486
7. HOLIDAY. Rep. Ottinger inserted a Westchester, N. Y., resolution urging enactment of the bill to make Oct. 12, Columbus Day, a national legal holiday. pp. 25489-90
8. ADJOURNED until Mon., Oct. 11. pp. 25494-5

SENATE - October 8

9. SUPPLEMENTAL APPROPRIATIONS. Received from the President a supplemental appropriation estimate (S. Doc. 62) for the Farmers Home Administration (p. 25501). The estimate proposes \$17,000,000 for "Rural Water and Waste disposal grants" and \$1,500,000 for increased administrative expenses for this program and for an increase in insured real estate loan authority.
10. FISH; WILDLIFE. The Commerce Committee voted to report (but did not actually report) H. R. 23, to initiate a cooperative program with the States for the conservation of the Nation's anadromous fish. p. D1003
11. LUMBER. The Commerce Committee voted to report (but did not actually report) H. R. 10198, to amend the requirements relating to lumber under the Shipping Act, 1916. p. D1003
12. HOLIDAY. Sen. Javits inserted a Westchester, N. Y., resolution urging enactment of the bill to make Oct. 12, Columbus Day, a national legal holiday. pp. 25502-3
13. FARM LABOR. Sen. Williams, N. J. commended and inserted an editorial stating that "Now that the braceros can no longer be imported, unemployed American farmhands willingly seek and obtain work." p. 25503
14. RURAL MAIL. Sen. Byrd, W. Va., inserted an article in tribute to the rural mail delivery service on its 69th anniversary. pp. 25521-22

SENATE - October 9

The Senate was in session for a short time, transacted no business of interest to this Department, and recessed until Mon., Oct. 11. p. 25536

ITEMS IN APPENDIX

15. SUGAR. Extension of remarks of Rep. Shriver inserting an article, "The Sugar Act Has Soured", and stating "it presents some constructive arguments for a full reevaluation and revision of the Sugar Act." pp. A5670-1

Mr. McCLODY. Mr. Speaker, if the gentleman will yield further, I wanted to ask another question with regard to the Antidumping Act. Do I understand as a result of this escapement—are we recognizing that if automobiles, finished automobiles, or automobile parts intended for new equipment are manufactured and sold in Canada that they cannot be sold in Canada at a higher price than they are sold for in the United States? The reason I ask that question is that I feel that the sale in the United States would be a violation of the act. I also happen to know—at least I have heard—that some sales have been made of vehicles at a higher price in Canada and lower in the United States, which has caused considerable resentment in Canada.

As I see it, the objective of this agreement—and I assume that it does have a valid objective—is to promote good relations between the United States and Canada, greater trade and better understanding. But we would not want a violation of the antidumping law or the differential in price which would create ill feeling between the two countries.

Mr. CURTIS. Mr. Speaker, let me say to the gentleman, that to attempt to oversimplify the Antidumping Act is a great danger. If, as the gentleman says, transactions are effected that violate the Antidumping Act then, of course, nothing in this act affects or closes the antidumping procedures, the rights that exist under antidumping legislation.

But I do warn the gentleman that there is a great deal more to the technicalities in the antidumping legislation than just a differential in price, and there may or may not be a case under the antidumping law. But, the rights are not impaired whatsoever as a result of this action.

Mr. MILLS. Mr. Speaker, will the gentleman yield to me?

Mr. CURTIS. I yield to the gentleman from Arkansas.

Mr. MILLS. What my friend from Missouri I think is saying, if I recall correctly his statement, is that merely a differential in price is not all it takes. If the differential in price between home and abroad results in injury to industries in the United States, then the antidumping law applies to the situation just as it would apply to any other situation.

Mr. CURTIS. Plus the fact that there can be legitimate differentials in prices and then we get into further complications.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman from Missouri has again expired.

Mr. MILLS. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. STALBAUM. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Wisconsin.

Mr. STALBAUM. The gentleman from Missouri [Mr. CURTIS] commented that the present section is the result of a fait accompli. Am I correct in my interpretation of the conference report that in the future, excepting the fact that we have got this fait accompli at this time,

these matters will become more public sooner? I refer particularly to page 4 and the items relating to the actions of the President and suggestions to him that he seek advice, give public notice and obtain information from other sources. Am I right in this assumption that this is specifically to avoid getting so far into the thing as has happened this time?

Mr. CURTIS. Exactly; but I must warn the gentleman that because of technical problems which we had in conference we are not saying, "No, this is no longer true."

Mr. STALBAUM. I do not think it goes that far, because we only express a hope in the paragraph or a request or desire of the congressional intent. This is what I am trying to strengthen right here.

Mr. CURTIS. It is a little more than that.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Arkansas.

Mr. MILLS. As my friend from Wisconsin knows, we have to be very particular in what we do when we are involved with the constitutional authority of the President of the United States. This was the most we could do under the circumstances, if we were not to have section 202 in effect. This was in lieu of section 202's elimination.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Iowa.

Mr. GROSS. Section 205—the new section 205—contains an unusual phrase. At least, it is unusual to me, "to increase the Canadian value-added of automobiles."

What does this mean? Does this involve their cost of parts?

Mr. CURTIS. Well, yes, it does. The term "value added" is a term that has been used in tariff and in tax law for many years. It essentially means that we will take the raw material—

The SPEAKER pro tempore. The time of the gentleman from Missouri has again expired.

Mr. MILLS. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. CURTIS. It essentially refers to whatever is added to the value of the raw material in the way of labor costs and other inputs—in order to finish the particular material. That is what "added value" refers to.

Mr. GROSS. To increase the Canadian value?

Mr. CURTIS. Well, you could take the parts of an automobile and the cost of putting it together, and then you would have labor cost and the other costs involved in assembling it, which would then be "added value" to those parts.

Mr. GROSS. If the gentleman will yield further, I am glad the lawyers understand what "to increase the Canadian value added" means. But I would think that "added value" would of itself suggest an increase.

Mr. CURTIS. Well, it is added value in its technical sense, and the gentleman from Iowa is perfectly correct. But when

we get into these technical things, we do frequently get into doubletalk and we need the help of many laymen to keep us from getting too far out in our semantics.

Mr. GROSS. If the gentleman will yield further, I have one other question on amendment No. 12 which states that "The new title eliminates the \$10,000 ceiling on appropriations for the Joint Committee on Reduction of Nonessential Federal Expenditures."

Can the gentleman give me any indication as to how much more the committee is going to ask for?

Mr. CURTIS. You mean on this non-germane amendment?

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Arkansas.

Mr. MILLS. I called attention to the amendment initially when I tried to present what we had done.

Let me call the gentleman's attention also to the fact that the chairman of the Joint Committee on Nonessential Expenditures is a very distinguished, strategically located, influential, powerful Member of the Senate from the great Commonwealth of Virginia. I know the gentleman from Iowa will share the point of view I have that neither of us have to be unduly concerned about any action on the part of the committee under his chairmanship.

Mr. GROSS. I hope the gentleman is correct.

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Indiana [Mr. BRADEMAS].

Mr. BRADEMAS. I want to make one brief observation. It is one of the concerns I expressed in debate in the House on this legislation, that it may represent a move on the part of the United States in the direction of bilateralism as distinguished from multilateralism trends.

Mr. MILLS. I would join my friend from Indiana in the expressed hope that we not see that happen as a result of this action. I believe in the multilateral approach and I would not want it replaced.

Mr. BRADEMAS. I thank the gentleman. I ran into a very distinguished lawyer of this city the other day who told me he had no clients involved in this particular legislation but other clients had admonished him to keep a close eye on the programs under this particular arrangement because if it went through they would like to get in on the act.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on the conference report just agreed to and

that I may have permission to revise and extend the remarks I made in further explanation of the conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

ABACA

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6852) to authorize the disposal, without regard to the prescribed 6-month waiting period, of approximately 47 million pounds of abaca from the national stockpile, with Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Amend the title so as to read: "An act to authorize the disposal, without regard to the prescribed six-month waiting period, of approximately ninety-seven million pounds of abaca from the national stockpile."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

FOOD AND AGRICULTURE ACT OF 1965

Mr. COOLEY. Mr. Speaker, I call up the conference report on the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 6, 1965.)

Mr. COOLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I present to the House for its approval the conference report on H.R. 9811, the Food and Agriculture Act of 1965.

This legislation writes a new chapter in the success story of American agriculture. It brings together the experience of three decades of effort in the Congress, and in succeeding administrations, to achieve and maintain a parity position for the farm families of this country who produce our food and fiber; it insures abundant food at reasonable cost to consumers; it avoids the accumulation of surpluses; and it will accomplish all this at a minimum cost to the Government.

I was honored to be elected chairman of the House-Senate conference com-

mittee which adjusted the differences in the bill as it earlier had passed both legislative bodies. The conference draft of the bill I now present, in my judgment, is a refinement of, and it is superior to, the bill previously passed by either the House or the Senate.

It is a matter of pride and deep satisfaction that I now commend each member of the conference committee which developed this final draft of H.R. 9811. They are our colleagues, Representatives POAGE of Texas, ABBITT of Virginia, HAGEN of California, STUBBLEFIELD of Kentucky, PURCELL of Texas, DAGUE of Pennsylvania, BELCHER of Oklahoma, TEAGUE of California; and Senators ELLENDER of Louisiana, the chairman of the Senate Committee on Agriculture and Forestry, HOLLAND of Florida, EASTLAND of Mississippi, TALMADGE of Georgia, AIKEN of Vermont, YOUNG of North Dakota, and COOPER of Kentucky.

I wish also to commend the members of the staffs of the House Committee on Agriculture and of the Senate Committee on Agriculture and Forestry. They worked far into the night, cooperating with the conferences in an effort to compose differences, make compromises, and to present something here that I think all of us should accept.

I never have known a committee of the Congress to work with more dedication to the accomplishment of a purpose in the public interest. Although the members of the conference representing the House minority did not see fit to sign the conference report, they worked diligently in the conference and contributed in a substantial way toward adjusting the differences between the House and Senate versions of the bill.

Mr. Speaker, the Food and Agriculture Act of 1965 is intended to maintain farm income, stabilize prices, and assure adequate supplies for consumers, to reduce surpluses, lower Government costs in farm programs, and to promote foreign trade.

The bill continues for 4 years the one-price cotton program, the feed grains program, and the wheat program. It establishes a cropland adjustment program, intended to remove 40 million acres from production. It removes the necessity for dairymen to produce surplus milk in order to preserve their individual participation in the markets for milk for fluid consumption. It continues the wool program through December 1969 with modifications to increase U.S. production. It extends for 4 years authority for leasing tobacco acreage and the exemption of certain green peanuts from marketing quotas. It authorizes lease or sale of cotton allotments within a State. It permits determination of compliance with acreage allotments through methods other than measurement. It directs the Department of Agriculture to make a study of the parity income position of farmers and report to Congress by June 30, 1966. It authorizes State agencies administering public lands to transfer acreage allotments from one farm to another in the same county. It enacts into law administrative regulations regarding reconstitution of farms. It authorizes use of projected yields in lieu of normal yields in connection with all farm pro-

grams. It authorizes use of CCC funds to purchase dairy products when needed.

I shall not attempt here to set forth in detail the provisions of all the titles of the bill. Each Member already has had the opportunity to read and study the conference report, which was printed in the RECORD of October 6, beginning on page 25206. The statement of managers on the part of the House, explaining the provisions of the various titles, begins on page 25215. For those who may not have read the October 6 RECORD, printed copies of the report now are available to each of you.

Mr. Speaker, this bill, as has previous legislation in the field of agriculture, invests in the Secretary of Agriculture a vast assortment of discretionary power. It is necessary to do this because of the complexities involved in administering the programs for the various commodities.

We are fortunate to have a Secretary who can be trusted with power. But to achieve the purposes of this new and far-reaching legislation he will need the constant counsel of the Members of the Congress who now are enacting this legislation and must ever be watchful of its administration.

In this connection, as part of the legislative record, I caution the Secretary to be exceedingly careful in the administration of the new cropland adjustment program. The broad authority in this program, used prudently, can make a very large contribution to the production and price stability in the whole of agriculture; if used unwisely—especially with respect to cotton—it can cause serious dislocations of people and damage the total economy of many areas.

Under the cotton title of H.R. 9811, cotton production will be cut by 35 percent by most farmers. Because of the huge surplus, it is necessary to reduce production sharply. But the Secretary must realize that a further cut beyond the provisions of the cotton title, by use of cropland adjustment contracts, would be imprudent and unwise in many areas where the farm economy and the well-being of rural communities depend in a substantial way upon the services provided for agriculture.

Therefore, I would prefer that no contracts whatever be made through the cropland adjustment title in 1966, to take out additional cotton land beyond the severe acreage retirement provided in the cotton title. This would permit an assessment of the economic impact of the 35 percent reduction farmers in many areas will make next year under the cotton program. This would allow the release and reapportionment program to function. It would give the cotton allotment lease or sale provisions of this new legislation a chance to function.

If the Secretary insists upon making cropland adjustment contracts, to take out cotton acreage in 1966 in addition to that idled under the cotton program, then I suggest that as a matter of moderation and wisdom no contracts be made in any county where the acreage in 1966 will be reduced overall by more than 25 percent below the actual harvested acreage in such county in 1965.

I will say to the House that I am interested in the successful operation of the legislation now before us for final approval. I want to see the cropland adjustment program operate successfully. I here want to admonish those who will administer the cropland adjustment program that if prudence and wisdom to a very high degree do not prevail, then, it is my firm conviction that the Congress will deny any further funds for the operation of this program beyond 1966.

Mr. Speaker, I am proud to have had a part in developing the legislation now before us. I did not get everything I wanted in the bill. Perhaps no one of us did. But this legislation overall sets up machinery which, properly administered by the dedicated people in the Department of Agriculture, will accomplish great benefits for our farmers and for the people generally who make up this great country of ours.

This bill affects all of America. Every man, woman, and child in this Nation has a great interest in the bill that we are now presenting. I think we all would agree that when the farmers of the Nation are impoverished, the Nation itself is in danger. When we have a terrific impact on agriculture, the impact is immediately felt by those in all walks of life.

I need not make an agriculture speech and tell the Members about the grand success of agriculture in this country further than to say that the farmers of this Nation have performed very magnificently. We are living in a land of great abundance, and we are told that in a few years from now we shall need to be able to use all of the food and fiber that we can harvest from our flourishing fields.

A short while ago I attended a meeting at White Sulphur Springs at which many economists told us in eloquent language that in 1975 we would need 50 million acres of additional land in production. The situation has changed. They are the same economists who recently were telling us that we need 50 million acres less than we now have in production. This bill contemplates retirement of about 40 million acres.

I hope that the House will accept the conference report. I am certain that the farmers of the Nation will be benefited and that the general economy will likewise be benefited.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. LANDRUM. Will the gentleman explain briefly the contents of the conference report with regard to the cotton section as it relates to the House-passed bill? What is the difference between the provisions in the cotton section of the bill passed by the House and the provisions in the conference report?

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. When the bill came out of our committee, it had many objectionable features, as the gentleman well knows. Even when the bill went from the House and was sent to the committee,

it was still objectionable. But in the conference we composed our differences.

The gentleman will recall that our committee and the House of Representatives authorized unlimited production of cotton for export by farmers who wished to forego all the benefits of the cotton program. I was frightened by it. I think others were frightened by that provision. The Senate provided that a man could exceed his cotton allotment by 50 percent, if he did not care to participate in the cotton program.

In the conference we agreed to do away with our provision, and we have a provision in the conference report for overplanting to the extent of 250,000 acres throughout the Nation in 1966 and, after 1966, on condition that we are able to reduce our carryover of cotton. If applications to overplant exceed 250,000 acres, the Secretary is authorized to prorate that among the applicants.

I believe we have what you might call a "muzzle" on overplanting. I do not know of anyone in my State—or anyone in Georgia—who wants to grow cotton for 21 cents or 22 cents a pound and sell on the world market, but there are some growers in the West who wanted this provision, so we went along with it, after we cut it down.

In the House bill we required a 15 percent mandatory reduction in the allotment of each farmer cooperating in the program. The Senate required a 10 percent mandatory reduction. After days and days of talking, we compromised that provision and split the difference. Now we require only a 12½ percent mandatory reduction.

The Senate had a 10-acre provision for the little grower. That likewise was changed. We had no small grower provision in the House bill. The 10 acres in California, New Mexico, Arizona, or the delta means a lot more in bales, in pounds, than it does in my State or in your State of Georgia. So we compromised that, after days and days of discussion, and we provided that the little grower with an allotment of 10 acres or less or producing 3,600 pounds or less would not be subject to the mandatory acreage cut, although he could participate in the voluntary acreage retirement under the cotton program. I believe those are the two rather substantial changes in the cotton section.

Mr. LANDRUM. I thank the gentleman. I commend the gentleman not only for his splendid efforts in bringing the bill out of his committee and managing it through the House, but also for the fine work he and his fellow conferees have done in producing this conference report.

Mr. COOLEY. I thank the gentleman very much.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. When the bill left the House there was a provision providing for a loan of 90 percent of the average world market price, or about 21 cents for 1966, plus a 9-cent payment. The 9-cent payment, as I understand it, was taken out in conference. What pro-

vision was made for the difference in payment between the 21 cents and the normal price support?

Mr. COOLEY. Normally it would be, I believe, 21 cents plus 9.42.

Mr. ABERNETHY. That is left in?

Mr. COOLEY. Yes.

Mr. ABERNETHY. I thought it was taken out and some substitute was made for such.

The overplanting provision, according to a press release by my chairman, of October 6, was retained. The release indicated that production from overplanted acreage could only be marketed in export. Is that correct?

Mr. COOLEY. We discussed that subject at great length. Anyone who overplants, under this bill, can only grow for export.

Mr. ABERNETHY. Could a farmer plant his normal allotment and get the normal price support on that, that is, not less than 65 percent of parity, and also overplant for export?

Mr. COOLEY. If he overplanted, having an assignment of export market acres, he would be automatically out of the program and all of his production would go to exports, without any Government subsidy, without any Government payment of any kind. If he overplanted, without an assignment of export acres, he would be subject to marketing penalties as under the current program.

Mr. ABERNETHY. I have one other question. The bill provides that a farmer with an allotment of more than 10 acres must take a 12½-percent cut if he wishes to participate in the price support program.

Mr. COOLEY. That is correct.

Mr. ABERNETHY. That leaves 87½ percent. If he plants 87½ percent of his allotment he would receive, as I understand it, under the conference report as well as the House bill, only the 21-cent price support, or 90 percent of the average world market price, and no payments?

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. He will receive a loan at 90 percent of the world prices or a flat 21 cents in 1966.

Mr. ABERNETHY. That is what I am speaking about.

Mr. POAGE. And then will receive a payment the minimum of which, combined with the loan, will be 28 cents for the 1966 crop, because we have the 65 percent of parity provision in here, which says that you cannot go below 65 percent of parity on the production of the permitted acres, that is the acreage a farmer can plant and still qualify as a cooperater.

Mr. ABERNETHY. When the bill left the House a farmer was compelled to idle 15 percent of his allotment in order to participate in the loan program and now it is 12½ percent. When the bill left the House, if he planted his 85 percent, he could not receive any payments except diversion payments.

Mr. COOLEY. Oh, no.

Mr. ABERNETHY. Oh, yes.

Mr. COOLEY. No. As the bill left the House, a farmer who retired 15 percent of his allotment and planted the remaining 85 percent would be eligible for loans on all cotton produced and for both price support and diversion payments. The same is true under the conference report except that the percentages are 12½ and 87½.

Mr. ABERNETHY. Let us say he planted 65 percent of his allotment and he gets a loan of 90 percent of the average world market price or thereabout. Is that right so far?

Mr. COOLEY. Yes, if he planted 65 percent of his allotment he is a cooperator and is eligible for the loan and price support and land retirement payments.

Mr. ABERNETHY. The 9-cent payment, then, is taken out of the bill we had in the House?

Mr. COOLEY. No.

Mr. ABERNETHY. I wish somebody would explain it. It certainly is not clear.

Suppose I planted 87½ percent of my allotment. What would I receive?

Mr. COOLEY. For 1966 you would get the loan at 21 cents on all cotton produced, the price-support payment now estimated at 9.42 cents a pound on the domestic allotment which is 65 percent of the farm allotment and, in addition, payment would be received on the 12½ percent diverted at a rate of about 10½ cents a pound.

Mr. ABERNETHY. Payments on the 12½ percent?

Mr. COOLEY. Yes, and the loan and other payment I have mentioned.

Mr. ABERNETHY. And there is no 9-cent payment any more?

Mr. COOLEY. Yes. The minimum price-support payment is 9 cents as in the bill as it left the House.

Mr. ABERNETHY. I am not clear, but maybe it will be made clear before this is all over.

Mr. COOLEY. The cotton title, according to figures supplied by the Department of Agriculture, will provide to all cotton farmers a total income comparable to income received for the 1964 crop. On an individual farm basis, a cooperator who reduces his acreage the minimum amount required will receive a blend price of 29½ cents per pound. For a farmer who reduces his plantings 25 percent, his blend price will be 32.67 cents per pound. If the farmer elects to comply with his domestic allotment which is 65 percent of his regular allotment his blend price will be 36.07 cents per pound. All prices would be increased by the margin that the market price exceeds the loan price.

For a small farmer having an allotment of 10 acres or less, or on which the acreage allotment times the yield is 3,600 pounds or less, the blend prices would vary according to the amount of allotted acreage the farmer decided to divert. If he elects to plant his full allotment his blend price will be 30.8 cents per pound. If he takes a 12½ percent reduction voluntarily his blend price will be 33.7 cents. If he takes a voluntary reduction of 25 percent his blend price is 37.5 cents and if he elects to divert the full 35 percent and plant only his domestic allotment his blend price is 41.7 cents and is approximately 100 percent of parity.

Blend prices are computed on the basis of a 21-cent price-support loan plus a price support payment of 9.42 cents per pound on his domestic allotment plus a diversion payment of 10½ cents per pound times the projected yield for the acreage diverted.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. Yes. I yield to my colleague from North Carolina.

Mr. WHITENER. Mr. Speaker, I realize all of us know the difficult task which the chairman of the Committee on Agriculture and his fellow committee members have had in this legislation. As one who is particularly interested in the cotton section and the cotton title, title IV, I would like to express to the chairman, my colleague from North Carolina, and to the other conferees my commendation and appreciation for the splendid job that they have done.

Mr. COOLEY. I thank the gentleman, and I want to observe that the gentleman who is now speaking represents one of the greatest textile districts in this whole country of ours. Textiles are not only important in his district but to the whole State of North Carolina where we have more textile mills and more textile workers than in any other State in the Union.

The SPEAKER. The time of the gentleman has again expired.

Mr. COOLEY. Mr. Speaker, I yield myself 2 additional minutes.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. JONAS. Are the release provisions in this conference report satisfactory to the growers?

Mr. COOLEY. The release and reapportionment?

Mr. JONAS. Yes.

Mr. COOLEY. I think so. We are depending upon a reasonable administration of the cropland adjustment program that will not wreck the release and reapportionment program. We have stated here the right of the cotton farmer to sell or lease his allotment from one farmer to another, and we have these payments in here. Heretofore these farmers have been releasing cotton in a substantial volume without any payment at all. Now they will be paid through releasing them.

Mr. JONAS. My colleague knows how important it is to the cotton producers. I merely wanted the RECORD to show what I think is the fact, that this provision is beneficial to them.

Mr. COOLEY. It is not only important to the producer but it is important to every little cotton community in this country.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. NELSEN. Do I understand in the feed grain section the authority granted to the Secretary will permit him to drop the loan level below what he is now permitted to drop it?

Mr. COOLEY. May I suggest to the gentleman that he address those questions to the gentleman from Texas [Mr.

POAGE], who will take some time a little later on.

Mr. NELSEN. I shall withhold my questions for Mr. POAGE.

(Mr. COHELAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. COHELAN. Mr. Speaker, the managers on the part of the House in their statement included comments alleging that in 1965 as a result of agricultural labor shortages there have been first, crop losses; second reduction of plantings; third, administrative actions which have failed to sufficiently recognize the needs and problems of agriculture; and, fourth, there have been injuries to the consumer and the economy, as well as the farmer.

I think it should be made clear at the outset that this statement on farm labor by the managers is entirely out of order and in no way a reflection of the body's view of the actions taken by the Department of Labor. I think it more appropriate that we be guided by two very salient facts: The House in its deliberations concerning the Food and Agriculture Act did not even seriously consider or discuss the Department's and the Secretary of Labor's handling of the agricultural labor situation. This matter was never brought to a vote, no amendments were proposed, and no action was taken in the House. On the Senate side, however, the Secretary's stewardship of the farmworker program was specifically considered in a proposed amendment to the act. This amendment was subsequently stricken as a result of a rollcall vote.

Let me turn now to some of the specific charges that have been made. There has been much talk and publicity, depicting in lurid detail, crop losses resulting from a shortage of agricultural labor. We have been subjected to many pathetic tales of crops rotting in the fields for want of labor, or more particularly for want of foreign labor. The Secretary has been characterized as being intransigent and arbitrary in his refusal to issue certifications attesting to shortage of domestic workers. Such certifications by the Immigration and Naturalization Service are the basis for authorizing the importation of foreign workers.

I would like to discuss one particular crop which probably has received more publicity than any other. Some of my colleagues in California have contended that the actions of the Secretary of Labor are responsible for cutbacks in the tomato acreage and stories have appeared in the Nation's press making the point over and over again that were it not for the Secretary of Labor tomato production would be significantly higher in California. The Secretary has denied these charges, but unfortunately his side of the case has not received a fair hearing. The Information Office of the Department of Labor is no match for the propaganda mills of the many grower organizations who are not really interested in whether or not there has been a loss of crop, but are concentrating their efforts in mounting a vicious propaganda campaign to discredit the Secretary and thereby reinstate the Mexican labor pro-

gram, a program which this House in its wisdom and with the concurrence of the Senate decided should be terminated. Let me set the record straight. There have been decreased tomato plantings in California this year but it is in no way related to a shortage of labor. Let me quote a statement made February 10, 1965. This statement was made not by Secretary of Labor but by Robert Holt. Mr. Holt is the manager of the California Tomato Growers Association. In his annual report to the association, he said the following:

Recently we have reviewed the statistics showing supply and movement of canned tomatoes and tomato products. In almost all cases both the supply and the movement have increased over last year. Supply is anywhere from 13 percent down on some items to 19 percent up on others. The movement range is somewhat similar. Within the next few weeks growers will be faced with having to make a decision on whether or not to plant tomatoes. It is our considered opinion that the present indicators of supply and demand reflect that the acreage for 1965 should be cut approximately 25 percent, and that California should expect to harvest and market processed tomatoes from somewhere between 105,000 to 110,000.

And despite Mr. Holt's recommendation the actual acreage harvested in 1965 is expected to be in the neighborhood of 116,000. So much for the alleged crop loss in tomatoes.

One further word with regard to the general subject of crop losses. We are asked to believe according to the newspaper accounts and some of the statements of some of my colleagues that every crop loss occurring this year, and there have been some crop losses, is a result of labor shortages caused by the Secretary's poor administration of the Government's farm labor program. This of course is a very simple approach to what is actually a very complex situation. There are crop losses every year. Frequently unusual weather conditions, such as unseasonal frosts, or extreme heat causes crops to be lost. All of us are aware of the tragic floods affecting many parts of the country this year. In addition to the loss of lives and property there has been some loss of crops. Market conditions at the time of harvest can affect a grower's decision whether or not it is economically feasible to harvest his crop. A grower may decide to plow his crop under, rather than harvest if the price is not right and anyone who is familiar with the agricultural industry knows that this is not an unusual occurrence. There are many factors affecting the condition of a crop and I have no intention of engaging in a long dissertation on the farmer's plight. We all know that in States other than Nevada and New Hampshire farming is the only form of legalized gambling permitted. Despite the many uncertainties affecting the agricultural industry the propaganda mills have been turning out reams of publicity attempting to convince the American public that every time there is a crop loss the Secretary of Labor is to blame.

With almost equal fervor there have been claims that consumer prices have soared as a result of labor shortages. The facts of the matter just do not sup-

port these claims. Wholesale prices in August showed a decrease in vegetable prices of 14 percent below a year ago. There were also reductions in canned fruits and vegetable items as a result of plentiful supplies from the 1965 crops. Some examples of current prices of major crops: canned tomatoes have increased from \$1.50 a case to \$1.61 but fresh market tomatoes are down from \$4.15 a carton to \$3.03; the price of lettuce, which is highly volatile was at \$3.38 a carton this August compared to \$3.25 last year, but in July it was \$2.08 compared to \$4.38 last year; a quart of strawberries sold for exactly the same price—\$.75 this year as it did last year in August; melons have increased slightly from \$3.40 to \$3.95 in August; but oranges have dropped significantly from \$5.06 in 1964 to \$3.07 this year; the price of a crate of cantaloups has fluctuated greatly over the course of the year, in August it was up to \$6.25 compared to \$5.75 last year; however, the month before it was only \$7.50 compared to \$8.19 in July of 1964. In the last example grapes were selling in August of last year for \$4.06 compared to \$3.59 this August. The crops I have selected were those in which foreign worker employment was significant last year. As you can see there has not been any ballooning of prices, and if we look at all fruit and vegetable prices we would find that there actually has been a decrease. The last point I would like to discuss now the Secretary's administrative actions. The managers claim that the needs and problems of agriculture have not been sufficiently recognized. In my opinion nothing could be further from the truth. I will not burden you with a description of the many special programs initiated by the Labor Department to ease the transition from reliance on farm labor to full utilization of domestic agricultural workers. In terminating Public Law 78 the Congress gave to the Secretary a clear mandate that he use the full authority of his office to promote the employment of domestic workers and that he limit to the greatest possible extent, the importation of foreign agricultural labor. I think the record shows clearly that the Secretary has administered the farm labor program in a fair and reasonable manner. In those instances where sufficient numbers of domestic workers have not been available to harvest the crops, Secretary Wirtz has recognized these emergency situations and certified to the need for foreign agricultural workers. He has acted in a responsible manner and administered the program so that domestic workers have been fully protected from any possible adverse effect resulting from the admission of foreign labor.

I think also that this House should be made aware of the tremendous pressures that have been exerted upon the Secretary. He has been more than reasonable despite the abuse and vilification to which he has been subjected. Let me cite a specific example: New England growers predicted that their apple crop would be lost unless 1,400 Canadian workers were admitted. After carefully reviewing and considering information supplied by these growers, the Secretary

certified to the need for 1,075 workers in the various Northeast States. The harvest is now virtually completed and yet only 691 Canadian workers were actually employed. In Massachusetts, growers claimed they needed 500 foreign workers. The Secretary, based on the data supplied to him by these growers, certified to the need for 350 workers, but only 179 Canadian workers were actually employed. This same pattern was observed in most of the other northeastern apple-growing States. Maine requested 341 workers, actually employed 222; New Hampshire requested 500 workers, actually employed 215; Rhode Island requested 30 workers, actually employed 25; Vermont requested 55 workers, actually employed 50.

In closing I would like to say that as Secretary of Labor, Mr. Wirtz has continued and reinforced the policies, initiated by his predecessors in that office, designed to prevent the importation of foreign workers from adversely affecting the wages and working conditions of the domestic farm work force. He has been reasonable and he has been fair. The language in the statement by the managers on the part of the House concerning farm labor is gratuitous. I think it should be made clear that it does not reflect the sentiment of this body.

Mr. COOLEY. I yield 10 minutes to the gentleman from Pennsylvania [Mr. DAGUE].

(Mr. DAGUE asked and was given permission to revise and extend his remarks.)

Mr. DAGUE. Mr. Speaker, may I preface my remarks by saying that my statement is certainly no criticism of the leadership of the conference. I think we had some of the ablest leadership manifested in this conference that we have enjoyed at any time, in the hands of the chairman and the ranking majority member.

But now that the conference on H.R. 9811 has been completed, I would like to take a few minutes to explain why I did not choose either to sign the conference report, or vote for it.

First let me say that this conference committee has worked very hard for the past 2 weeks on many detailed and complex provisions. I might add that as far as the House conferees are concerned, I think the House can be assured that the position of this body was well represented. The fact that the conference committee worked diligently, however, does not alter the fact that what they worked on, was not, in my opinion, in the best long-range interest of farmers, consumers, and taxpayers.

There are two basic reasons why I feel that this legislation is not desirable. First, because it commits our farm program even further to the principle that direct Government payments should be a cornerstone of farm policy. We have, in effect, in this bill, a large part of what is known as the Brannan plan. With cotton being added to the list of crops which receive direct cash payments from the Treasury, we have moved another giant step toward the day when farmers will be absolutely dependent on Government payments for their economic sur-

vival. This trend, of course, has been developing during the past several years, and in 1964 Government payments accounted for nearly 20 percent of realized net farm income. In 1965 this percentage will most certainly be at least 20 percent. In 1966 and subsequent years this percentage is surely going to grow under the provisions of H.R. 9811. I am convinced that this trend is not in the best interest of American agriculture, and I am afraid that some day farmers will have to face an unhappy reckoning when they find that their continually shrinking numbers have resulted in a Congress no longer oriented to rural interests and the high costs of farm programs.

The second major reason that I cannot support H.R. 9811 is that I believe it will prove to be most costly and ineffective. Generally speaking, the House bill increased the costs of the programs originally proposed by the administration. For example: The House action in making the extra 50-cent payments from the U.S. Treasury on the domestic production of wheat added another \$200 million a year to the original administration bill.

The conference committee bill has in many instances increased the costs of the House bill by either adopting more expensive amendments of the other body or by compromising with the conferees from the other body on provisions of their bill which were more expensive. For example: The conference committee adopted cotton provisions dealing with overplanted acreage, small farm minimums, and minimum price supports which, in my opinion, will add approximately another \$100 million a year to the cost of the program as proposed by the House.

In Wednesday night's Washington Star there was a wire story reporting the progress of the conference committee. In this story, spokesmen for the U.S. Department of Agriculture are quoted as saying "this measure should cut between \$300 and \$400 million from the more than \$4 billion now spent annually on crop control programs."

Mr. Speaker, I just do not think this prediction will turn out to be true.

Another very expensive part of this legislation, which I humbly predict will turn out to be the most expensive farm bill ever passed, is the cropland adjustment title. This program calls for the retirement of some 40 million acres of farmland during the next 4 years. Under the terms of the conference bill, up to \$9 billion is authorized for making payments under this program during the life of all contracts which can run for as long as 10 years. These enormous expenditures for this new program will, of course, be in addition to the cost of present programs.

While this program has been described as one to save money on annual commodity expenditures, I feel that in the long run it will turn out to be an additional cost over and above the cost of the commodity programs involved in this bill. I predict also that the commodity programs for cotton, feed grains, and wheat during the next 4-year period will

cost taxpayers more than has been the case in any previous 4-year period in time. Why is this so, one may legitimately ask. The main reason, I feel, is that the programs themselves will not be effective instruments in holding down the continuing increases in production that American agriculture is capable of generating.

The gentleman from North Carolina [Mr. COOLEY] and the gentleman from Texas [Mr. POLCE] have set forth the major provisions of this legislation. I would like to add a few comments on some of the major controversial provisions in this legislation and how these issues were settled.

The dairy title of H.R. 9811 deals with the establishment of a class I dairymen's base plan. This means that the provisions in the House bill leaving producer-handlers' legal status unchanged will be in effect during the life of the class I plan. The adoption of the House language also means that individual dairy farmers will vote in any referendum held on the class I plan. These questions were the major differences between the House and the other body in regard to dairy legislation.

On wool the House prevailed in its insistence on the deletion of authority for graduated payments to small wool producers, while accepting the other body's formula for establishing a support level during the next 4 years.

On feed grains the conference committee gives greater discretion to the Secretary of Agriculture in the administration of the feed grain program. The conference bill allows him to lower the loan price on corn below 65 percent of parity, the floor provided by the House bill. Deleted by the conference committee was the other body's amendment authorizing an alternative feed grain program which would have placed heavy emphasis on diversion payments to participating farmers.

On cotton the major issues were the degree of mandatory reduction, special provisions for small farms, the degree of permitted overplanting, and total price support level.

It occurs to me as one who claims to be no expert on cotton that this program seems to be chasing itself. While some cotton farmers will be paid not to grow cotton in order to reduce the near-record surplus, others will be permitted to grow an additional 250,000 acres a year. While the production from this additional acreage is earmarked for export markets, there seems to be little question that its existence will only negate the effectiveness of this program. Other cotton provisions are similarly written in such a manner as to not really do the job of reducing production. Therefore, in my opinion, it is unlikely that any significant results will be forthcoming from the new cotton program which most likely will cost as much or more than the present extravagant program.

On wheat the conferees agreed to delete the provision which was in the other body's bill dealing with an escalated bread tax. In reaching this agreement

the conferees added another 7 cents per bushel to the taxpayers' cost of subsidizing domestic wheat production. Let us remember that the present wheat program is costing taxpayers something like \$1.2 billion annually in addition to the \$375 million spent each year by consumers for domestic wheat certificates which wheat millers and bakers must purchase in order to process wheat. These taxpayer costs, I predict, will be increased at least \$235 million a year more by H.R. 9811.

On cropland adjustment the conferees have set up a program which allows the Secretary of Agriculture to commit \$225 million per year in each year of the signup period. This means that farmers signing up under this program might run up the annual cost of this program some \$900 million per year. If all the contracts signed were 10-year contracts, the total obligation of taxpayers by 1980, when this program ends, could be as high as \$9 billion. Of course, no one expects all these contracts to be for 10 years, but even if only half of them were for 10 years, the total costs could run to \$7.5 billion.

On rice the provisions allowing diversion payments to rice farmers during the next 2 years were adopted. These costs again represent an additional cost burden on the taxpayer.

Finally, Mr. Speaker, the conference committee has added to the list of commodities involved in Federal farm programs one which apparently has escaped Federal assistance and management. It is one which I had never heard of before. I refer to that everyday commodity known to everyone as plantago ovato, a botanic cousin of what is known in the West as Indian wheat grass. Under the cotton, wheat, and feed grains sections of this bill farmers across America will be eligible to produce plantago ovato on acreage diverted from these crops, provided they accept a reduction in the diversion payments to which they would otherwise be entitled. If past patterns prevail, this will be just the beginning for plantago ovato's participation in Federal farm programs. The complexities, the controls, the subsidies, and the red-tape generated by the Department of Agriculture most likely will now engulf this new and hitherto unknown and unregulated commodity.

And what a strange twist of fate this is. Plantago ovato is a plant from which chemists and scientists are able to produce birth control pills. Thus, in a bill which is distinctive for its lack of control of the public purse, a crop used to control birth in humans ends up being controlled by humans themselves.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. MAHON].

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, I wish to record my opposition to the conference report, especially as it applies to the cotton section.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. GREIG].

Mr. GREIGG. Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, today, rural America received a substantial boost. This comes as a result of the action taken by this body in accepting the agriculture conference report. While this measure directly affects the agricultural economy, it very markedly affects every facet and segment of the total American economy. As a member of the House Agriculture Committee, I can report to you that the administration sought a 2-year farm bill. I am pleased and proud that the judgment of the committee prevailed, as we now have approved a 4-year farm program. As a result of this 4-year program, our farmers can place into action some concrete plans for the future. For a long period of time, the American farmer has been caught in a severe cost-price squeeze. It is indeed imperative that the American farmer realize improved farm income. I firmly believe that, with the passage of this measure, the farmers in my area applaud the actions of the majority of the Members of this body who, by their vote in support of this program, indicated a real concern for rural America.

In representing my constituents, my concern has been for the continuance of an effective feed grains program. This program has been most beneficial to my congressional district in northwest Iowa, and throughout all of Iowa. One of the moving purposes behind my candidacy for Congress was the relationship that we, in the Midwest and particularly northwest Iowa, were in great need of representation which accepted the principle of the need for such forward looking programs as the feed grains program. However, I want to make it very clear that, while the subject of feed grains is so essential to my district, I have come to appreciate the real concerns of all of the many and varied agricultural commodities included in this measure. Mr. Speaker, the present farm bill is no panacea of perfection. We have a long way to go. But this type of program has made it possible for higher prices for our commodities and has been remarkably effective in the reduction of surpluses. I wish to commend the very able and distinguished chairman of the House Agriculture Committee, the gentleman from North Carolina [Mr. HAROLD COOLEY], and my very thorough and dedicated subcommittee chairman, the gentleman from Texas [Mr. ROBERT POAGE], for their masterful leadership in directing this essential agricultural measure.

I wish, at this time, to bring to the attention of my colleagues some very meaningful statistics as they relate to the feed grains program.

The feed grain program has been outstandingly successful in reducing surpluses, increasing farm income, and promoting stability in the livestock and feed grain sector of agriculture during the past 4 years.

Stocks of feed grains at the end of the 1964 crop marketing season will be down to 55 million tons, the smallest since 1957 and more than one-third below the peak level of 85 million tons at the end

of the 1960 crop season. The significance of this reduction becomes even more meaningful when considered against the continuing yearly buildup in the surplus during the 1961-62 period.

The feed grain program has enabled producers to realize \$3 billion more for their crops than at the 1960 level. Overall net farm income in 1965 is now estimated at \$13.5 billion, the highest since 1953. The feed grain program is contributing significantly to improved income level.

Farm corn prices averaged \$1.16 per bushel in 1964, higher than at any time since the mid-1950's. Prices, thus far, in 1965 have generally been above this 1964 level. This price improvement is in sharp contrast to the downward direction of feed grain prices during the period prior to the program. In 1960, farm corn prices averaged less than \$1 per bushel, the lowest in nearly 20 years. In November of that year, prices in my home State of Iowa dropped to 75 cents per bushel.

The improved feed grain supply situation is a tremendous stabilizer for the livestock and poultry industry which provides more than half of yearly agricultural income. A continuation into the 1960's of the feed grain production and price trend in the 1950's would have had a catastrophic impact on livestock and poultry output and prices.

The achievement in working the feed grain surplus down is even more remarkable in light of the yield increases registered during the past few years. The corn yield for the 1965 crop is now estimated at more than 68 bushels per acre, nearly 25 percent above the 1960 figure of 54.5 bushels. This means with one-fourth less acreage production would equal the 1960 level when more than 200 million bushels were added to the surplus.

Despite increased yields, the program has made substantial inroads in the surplus through a better balance between production and needs. During the first 4 years of the program, more than 1 million farmers each year have participated to hold more than 110 million acres out of production and in conservation uses.

The magnitude of this acreage is readily apparent in that it is just shy of the total yearly feed grain plantings. If this acreage had been in production during the past 4 years, as it would have under the old program, the economic distress in the feed grain and livestock sectors of agriculture would have been widespread.

Lower feed grain prices and increasing supplies would have been a powerful stimulus for higher livestock and poultry production pressuring prices for commodities to lower and lower levels. A feed oversupply means cheap feed. Cheap feed means ruinous prices for livestock and livestock products.

Even though livestock feeding would have increased, the Government accumulation of surplus grain would have gone to new record levels each year with mounting costs and unbelievable storage problems. The feed grain surplus instead of being down more than one-third

from the peak 85-million-ton level as it is, would not be at least 50 to 60 percent higher. While costs under the feed grain program have been high, the ultimate Government costs because of a higher surplus level under a continuation of the old program would have been at least \$2 billion more.

The popularity of the feed grain program among farmers continues to increase. This year, nearly 1.5 million farmers, a record number, have signed up to hold more than 35 million acres out of production also a record in terms of acreage. The program has enabled farmers to achieve an improved feed grain supply-demand relationship while giving their incomes a boost.

The alternative to the feed grain program is a return to the program of the 1950's with no provision for diverting acreage from production. Prices would be supported between 50 and 90 percent of parity, but at a level which would not result in increasing CCC corn stocks. This, in effect, would mean the minimum level of about 75 to 80 cents per bushel for corn and correspondingly low prices for other feed grains. The increased yields and land available for production would mean that the gains of the past 4 years in reducing feed grain stocks would be lost in probably only 2 years. Returns from feed grain would be down, and low feed prices would eventually spread as a disruptive influence on the livestock-dairy-poultry economy.

Following are two tables for the RECORD on national participation in the feed grain program and on U.S. production and carryover of feed grains:

Summary of feed grain program

	Farms participating	Feed grain acreage on participating farms	Diverted acres
1961-----	1, 146, 388	68, 100, 000	25, 200, 000
1962-----	1, 249, 633	72, 600, 000	28, 200, 000
1963-----	1, 194, 665	73, 500, 000	24, 500, 000
1964-----	1, 243, 217	78, 000, 000	32, 400, 000
1965-----	¹ 1, 482, 583	86, 627, 300	36, 576, 800

¹ Based on signup intentions.

[In millions of tons]

Marketing year beginning—	Production and carryover of feed grains	
	Carryover	Production
1960-----	74.6	155.6
1961-----	84.7	140.6
1962-----	71.8	142.9
1963-----	63.9	156.4
1964-----	68.7	136.9
1965-----	55.0	149.0

Iowa, the heart of the Nation's Corn Belt, has an impressive record of participation in the feed grain programs. From 1961 through 1965, the programs have increased in popularity each year. In 1964, for instance, those with base acreage ranging from 31 to 300 acres had the major share of enrollment.

Program enrollment in Iowa steadily increased from 108,730 signed up in 1961 to 123,555 enrolled for this year's pro-

gram. By crop years, the percentage of all Iowa feed grain farms signed up read like this: 56.7, 58.3, 59.5, 63, and 65 percent.

Equally impressive was the amount of the State's 13.5 million acres of total feed grain base represented on enrolled farms. This percentage by years from 1961 through 1965 increased in this order: 64.2, 67.3, 69.8, 71, and 74 percent.

An amazing 91 percent of the base acreage among participants was on farms of from 31 through 300 acres in 1964. Smaller base acreage farms with 1 to 31 acres represented only 2.1 percent. Farms of 301 acres or more represented the balance.

Acreage diversion by participating farms was greatest in the 31 through 300 acre category. They had 3,146,114 acres diverted. Those with 30 acres or less diverted a total of 211,727 acres, while those with 301 acres or more diverted a total of 200,386 acres.

In summary, Iowa's commercial family-type farms of 31 to 300 acres, which depend on production of grain as one of their major sources of income, had the largest enrollment, the most base acreage, and the preponderant share of the acreage diversion in their State during the 1964 feed grain program.

What does this program participation mean in Iowa, which is the Nation's No. 1 corn-producing State?

Yield in 1965 is indicated at a new record high of 83 bushels per acre—and that is a jump of nearly 20 percent over the 1958–62 average of 69.4 bushels per acre. With the high degree of participation and acreage diversion in the State this year, production is indicated at 838 million bushels of corn—up only 13 percent from the 1958–62 average production of 743 million bushels. In other words, the acreage diverted under the feed grain program applied a brake which held down production by nearly 100 million bushels despite the phenomenal new yields indicated for the State this crop year. If the diverted acres had been planted, the State's production this year obviously would have been tremendously greater.

Mr. Speaker, in summary, I want my colleagues to know that I have found it to be an honor to serve on the House Agriculture Committee and to serve in the 89th Congress which, by its actions today, boosts the American farmer and gives new life to rural America.

(Mr. GREIGG asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. STALBAUM].

Mr. STALBAUM. Mr. Speaker, I want to take this time to commend the conferees and the chairman of the Committee on Agriculture, Mr. COOLEY, for the fine job they have done in legislation in the field of dairying. We recognize that dairying is found in each of the 50 States, the only commodity that is so found. Dairy legislation has been conspicuous by its absence in the past, but, this year the farm bill carries several items that are good as far as dairying is concerned. It is a tribute to our leaders that these were included.

We have included a class I dairy base plan which was accepted as presented by the House. It was better than the version of the other body because ours included the right of manufactured-milk handlers to set up their own market orders. In addition to this, the conferees on the part of the House in their wisdom have accepted two amendments which the Senate put in the farm bill, one an antidumping feature which strengthens our class I plans, which is highly desirable and badly needed.

The second provision, which I feel has not been given the attention in the House it should have, is one which will permit the Commodity Credit Corporation to sell dairy products even when such dairy products are not labeled as being in surplus. Many of my friends in the dairy cooperatives and the dairy marketing field believe this may be one of the most effective items and one of the major pieces of legislation we have passed for dairying in many, many years in the Congress.

I feel that dairying is well taken care of in the dairy legislation here. This type of legislation is not expensive, it is not going to add to the cost of the farm program; but class I dairy plans and the right of Commodity Credit to sell dairy products which are not in surplus are two items which could go a long way in helping solve the dairy problems of the Nation.

Again I commend the committee chairman, Mr. COOLEY, for the fine job he did in giving leadership in this matter and the chairman of the Dairy Subcommittee, Mr. HAGEN of California, who did so much in getting this good legislation incorporated into the farm bill.

(Mr. STALBAUM asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HAGEN].

Mr. HAGEN of California. Mr. Speaker, I would just like to clarify two or three points. No. 1, on the issue of the treatment of producer handlers, we accepted the House version which says this legislation does not adversely affect him and this is what the producer handlers of the country wanted.

In addition there are a couple of other points I believe the gentleman from Texas [Mr. POAGE], a member of our committee, wants to clarify for the Record; is that correct?

Mr. POAGE. Mr. Speaker, if the gentleman will yield, I think it might be well if we clarified that for the Record. I think there is no question about what the committee understood and what the conferees intended.

But there are those of us who have questions and I think we might clarify for the Record the meaning of new producers. We make provisions for new producers and the question arises: Is a new producer confined or is that term "new producer" confined just to those who never produced any milk before in their lives or does it include all of those who produced milk but who have not participated in the particular market in which it is being produced?

Mr. HAGEN of California. Well, it

would include all of those who were not in that market but were seeking entry to it. It might be a dairy farmer who had been delivering to another market where a quota plan is adopted. He could get a quota in a new area only through an allocation of an increase in class I sales, allocation of basis forfeited, or by transfer from producers who have quotas in that new order area.

Mr. POAGE. Then it would be fair to say it includes both?

Mr. HAGEN of California. That is correct.

Mr. POAGE. In the second place at the present time milk is sold in Federal order markets from plants which are regulated under other Federal orders and from unregulated plants. This milk is produced by dairy farmers who are not "producers" under the order regulating milk in the receiving market. Is it intended that this milk share in whole or in part in the class I sales of the receiving market adopting a class I base plan even though such sharing displaces producer quota milk in class I sales?

Mr. HAGEN of California. The answer is "No." Producer quota milk will receive a priority assignment to the class I sales in a market to the extent such milk is available for such sales. Milk received from other sources whether from other Federal order plants or from unregulated plants will be assigned to class I sales only to the extent that such sales exceed producer quota milk.

Mr. POAGE. I thank the gentleman very much. I think it is obvious that the program could not work unless the answer were "no." It was intended to be "no" all the time.

Mr. STALBAUM. Mr. Speaker, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman.

Mr. STALBAUM. Is it not true in the establishment of the class I base plan that Congress intended to give considerable flexibility to various markets in setting up such plans as they felt would be most effective in their own market, and most designed to meet their own needs and that in passing this legislation we are not attempting to establish a pattern that must apply all over the United States but rather we are setting up enabling legislation to allow each market to meet these problems as they best see fit?

Mr. HAGEN of California. That is absolutely correct. I might comment that this bill in the dairy section should reduce the cost of the dairy program to the Federal Government depending upon the extent to which these order areas vote to use this tool.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman.

Mr. LAIRD. I would like to ask the chairman of the Dairy Subcommittee a question regarding the use and purchase of dairy products not in surplus. At the present time dairy products purchased under section 32 funds must be used.

Mr. HAGEN of California. I will say that surplus is not the proper word. It is CCC inventory. They may be surplus although not in the inventory and this

provision is directed to acquisition and use of noninventory stocks.

Mr. LAIRD. Yes, they might be surplus. But if the Department of Agriculture wanted to put cheese, let us say, in the school lunch program, using this particular section, there would have to be additional language added to this conference report to provide for the packaging, reprocessing, transportation, and handling and other charges. I think the gentleman realizes in the school lunch program, loaf cheese is used and has been used most successfully in this program throughout the United States. It has been a very popular commodity in the school lunch program.

This requires repackaging and processing of the cheese that is purchased under the CCC purchase program. That language was not included in the conference report. Does this cause the difficulty that the Department of Agriculture says that it causes?

Mr. HAGEN of California. The Department is always quite cautious. They thought that additional language was necessary to accomplish usage with added costs of repackaging and so forth. The conferees thought the Department had the authority without the added language and that is our position.

Mr. LAIRD. The Department says that they cannot put the product into the school lunch program without that language.

Mr. HAGEN of California. It is my recollection that the conferees did not think it was necessary. That is to say under our language they could do everything necessary to purchase milk and milk products and put them into the hands of donees with the Department assuming all or any part of costs of acquisition, packaging and so forth.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. HAGEN of California. I yield to the gentleman from North Carolina.

Mr. COOLEY. We believe the Department has all the authority that the Department needs to deal with this thing.

Mr. HAGEN of California. My view is that previously stated. The authority exists for assumption of these costs regardless of the product's destination.

Mr. LAIRD. The position of the Department of Agriculture is somewhat different. The Department has advised me that the language is necessary.

Mr. COOLEY. That must be for overseas packaging, not for domestic use.

Mr. LAIRD. This language was for both overseas use and for domestic use, and it was suggested to the conferees. The language suggested by the Department appears on page 85 of the conference committee print.

Mr. COOLEY. We were assured that they needed no authority to deal with this problem in the domestic market.

Mr. LAIRD. Is it the intent of the conferees that the processing and packaging costs may be taken?

Mr. COOLEY. Yes, domestically, but not for export.

Mr. LAIRD. For the domestic market, processing, packaging, and transportation costs can be taken?

Mr. COOLEY. That is correct.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from North Dakota [Mr. ANDREWS] such time as he might require.

(Mr. ANDREWS of North Dakota asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS of North Dakota. Mr. Speaker, I rise in support of the conference report.

The House will today approve a farm bill historic because it is the first time such legislation has been enacted for a 4-year period. This omnibus farm bill has many details in it that are somewhat different from the regulations under which our farmers have been operating in years past. While definite details will have to await administrative determinations and will be in the hands of your local ASCS committee shortly, I felt our farmers would be interested now in some of the provisions of the program.

At the beginning of this session, Senator MILTON YOUNG and I introduced identical farm bills in the House and Senate. While the final version of the administration bill does not include all of the features we advocated, it does include the chief feature—full parity for wheat produced for domestic markets.

The House Committee on Agriculture went part way in establishing many of the principles that I had introduced in our bill. Senator YOUNG in the Senate was able to amend the administration bill to make it conform even more closely to our desires and to the needs of North Dakotans. He held many of these gains in the conference committee against unrelenting pressure from the administration which was determined to establish lower prices, principally for wheat, than we were willing to accept. This illustrates once again the wisdom of a legislative process where give-and-take results in the final bill—in this case, a bill much more acceptable than the program originally sponsored by the administration.

One of the keenest disappointments in the bill, I think, is that part of the certificates will be paid by the U.S. Treasury rather than by those who use the wheat. This could endanger farm programs in the future since we have had an almost constant fight with the Bureau of the Budget and the administration to gain funds for such programs as the Soil Conservation Service, REA loans, and other programs vital to farmers. If the Federal Government continues to expand, more and more agencies will be competing with the Department of Agriculture for a share of your tax dollars. Some experts see this as the beginning of the end for farm programs. It was interesting to note that many of those who cried "bread tax" during the debate were the very same ones who for years have demanded the end of all farm programs.

Now, what is in the major sections of the bill affecting North Dakotans?

FEED GRAINS

The feed grains section is extended without major change for 4 more years, including provisions for price support loans, purchases, and in-kind payments to program participants at about the

same levels as recent years. Participants, by diverting acreage from feed grain products to conservation use, will receive, as in the past, payments in kind to help maintain income.

The main differences between the new program and the old one are: first, normal production is to be figured on the basis of projected rather than base period yields; and, second, soybeans may be planted on permitted feed grain acres—at the discretion of the Department of Agriculture—and the producer will earn the same diversion and price support payments as if he had planted feed grain.

WHEAT

The bill will furnish a blended price support of \$1.84½ a bushel. This is roughly a 15-cent-per-bushel increase compared with what cooperating farmers are now receiving. The administration, however, turned down a clause introduced by Senator YOUNG which would have tied any increase in the price of bread to an increase in returns to the wheat farmer.

In effect, here is what the wheat section of the bill means to farmers in North Dakota: full parity for domestic food use of wheat—500 million bushels; the parity of July 1—\$2.57—will be used in 1966 price support calculations; loan for the 1966 crop is to be \$1.25 a bushel, leaving a difference between loan and parity of \$1.32. The millers will pay 75 cents of this difference and the rest is to be paid by the U.S. Treasury.

The bill now provides a minimum mandatory price support for 1966. It further provides that this same level of blended price supports will be guaranteed the remaining 3 years of the program. This constitutes an important change in the administration approach as passed by the House Committee on Agriculture which, while giving considerable assurance to providing a \$1.81 for 1966, did not give a firm guarantee of this price and gave the Secretary broad authority to reduce the blended price level in future years.

PROJECTED NORMAL PRODUCTION

You may have noted that I used the term "projected yield" rather than normal yields. As a matter of practical application, the State and the county yields will be somewhat higher than they were under the normal yield. Under the old program, we used to take an average of the last 5 years available and make adjustments for weather and other factors and come up with our base normal yield. Now this yield will be based on projected figures and since there is an upward trend in yields, it should be somewhat higher than last year. For instance, North Dakota's yield last year in wheat, our biggest crop, was 21.6 bushels. Under the projected yield approach, it will come out to be about 23.7 bushels for the State.

In applying this to the individual farm, county committees will be setting farm yields by one of two methods: First, the farmer's proven yield; and, second, the assigned projected yield where no proven yield is available.

In the first instance, where the farmer has a proven yield—which is only about

10 percent of the farms in North Dakota—the committee has a starting point. They may or may not increase these yields, but in any case the farmer should not get less than his proven yield. In the second instance, where the farmer has no proven yield, the committee will consider the productivity of the land, the farmer's present operation, and to the best of their ability try to establish a yield which will be comparable. This setting of yields is a very complex and important procedure, and the farmer should be sure to get all the information possible from his county ASCS committee.

CCC RESALE PRICE

One of the disappointing features of the law is that it fails to increase the CCC resale price on wheat to 115 percent of support prices. The President in his farm message of February 4 tended to support our position on this matter and every major farm organization agreed on the value of some increase in the resale formula of commodity stocks to protect farmers against Government competition, but the Secretary of Agriculture was viciously opposed.

I believe this could have meant an average of 10 cents a bushel more to the farmers of North Dakota over the price we now receive for our grain, and we will keep on trying for such a change in later legislation.

CROPLAND ADJUSTMENT PROGRAM

The Department of Agriculture regards this program as the most important part of the farm bill, and it is perhaps significant that it was one of the least controversial parts of the bill in passage. This section of the law is intended to take 40 million crop acres out of production by 1969.

City dwellers will be pleased with the provision that offers extra payments to farmers who manage idled acres for wildlife habitat and allow hunters to use the land without charge for recreational purposes. Maximum payment per acre under this program is not to exceed 40 percent of the annual market value of the crop that would have been produced on the land, as determined by the Secretary of Agriculture. Farmers signing the 5- to 10-year contracts in 1966 will be required to put all of their allotment or base of at least one surplus crop in the program. During the next 3 years of the sign-up this percentage is left to the discretion of the Secretary.

Prior ownership of the land for at least 3 years is required in order to qualify for the cropland adjustment program, and the Secretary is required to consider the economic impact of this acreage retirement on counties and local communities. In this regard the Secretary has stated that it will be his intention to limit the acreage contracted in any year insofar as a base or allotment crop is concerned to not more than 10 percent of the allotment or base acreage for that crop in the community. He added that the acreage contracted over the life of the program would not be more than 25 percent of the base allotment for the crop for the county unless responsible representatives of the county government and the ASCS committee for the county agree that

more than 25 percent could be contracted without adversely affecting the economy of the county.

There is no automatic acceptance of land now in the soil bank under this program and farmers will have to contact their county ASCS office to get details in their area.

COST OF THE PROGRAM

While the cost of the entire farm program has not been reduced as much as the Department of Agriculture wanted, indications are that it will cost less than the 1965 program. While I have found that cost figures on a plan of this magnitude can be controversial and confusing, it is estimated by the U.S. Department of Agriculture that this program will cost about \$100 million less than the program in effect during the current crop year.

CONCLUSION

I think it is significant to note that this bill is the result of a nonpartisan approach. Every Member, Republican and Democrat alike, from our six-State upper Midwest area voted for this bill. Farmers, individually and through their farm organizations along with representatives from the States in our area, worked hard to impress upon Congress the importance of meaningful and sound farm legislation.

Most farmers will feel as I do that this is a fairly good farm bill.

However, I also believe this farm bill still ignores by far the most important future goal of American agriculture—a stepped-up program of using our farm products to prevent hunger in a starving world. We are spending \$50 billion a year or more for armaments to promote freedom in the world. Other countries are able to compete with us in saturating the world with military might, but no other nation can match the American farmer's ability to produce food—and this should be regarded as our greatest weapon in the war for freedom.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from Texas [Mr. PICKLE] such time as he may require.

(Mr. PICKLE asked and was given permission to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, I express myself in favor of this measure and compliment the conferees on the fine job that they have done.

Mr. Speaker, finding a perfect solution to the farm problem is practically impossible. At least, I know this is true with respect to cotton, which is the principal agricultural product in my district. But I believe that the conferees have come out with as good a solution as we could expect under the circumstances.

The life blood of the cotton industry in my district has been the release and reapportionment program. If this had been weakened materially, it would have hurt thousands upon thousands of the farmers throughout the Nation—farmers who sincerely farm for the purpose of making a living by growing cotton. Although I think that basically the sale and lease aspect of this bill is a means to ultimately weaken the release and reapportionment program, I do recognize

that we must have some means of controlling production.

This version is much better, though, than the original version which passed the House, because this allows sale and lease within a county, if approved by a referendum, and does not allow it to go out of State. And although no farmer wants a mandatory retirement, I would think that most of the farmers would agree that a 12½-percent reduction is a reasonable compromise, particularly when the loan is still based on 90 percent of parity, and in addition the co-operator would receive approximately 9.42 cents for the subsidy. It would seem that a reasonable guarantee of the subsidy is provided for since this amount is tied to parity.

I would especially like to pay compliments to this committee and the fine staff which has worked so hard on this bill. In my opinion, Congressman W. R. POAGE is the most knowledgeable man in America today on agricultural matters, and I am most mindful that the farmers of Texas owe to him, and to the splendid gentleman from Wichita Falls, the Honorable GRAHAM PURCELL, another member of the conferees, their thanks for the countless hours of work they have put into making this measure acceptable. I dare say that our State is more fortunate than any in having these two men as members of the Agriculture Conference Committee, and I know for a fact that no one is held in higher esteem in the Congress than these two men.

Mr. Speaker, I would also like to express my appreciation to the farmers of the Old Cotton Belt Association, whose advice and counsel I have sought, under the leadership of Emery Blackman, J. V. Stiles, Henry Pumphrey, George Bohlen, and Mr. Julius Wittliff, one of the most loveable and fairminded men in my district.

It was this association that invited me to meet with a group of some 75 farmers recently and helped me to better understand the problems of the cotton farmer of my district. Working with Fleetwood Richards, a knowledgeable and dedicated public servant, I believe that we have all come together with a bill that is fairest to the greatest number. Though any Texas cotton farmer wants to have "40-cent cotton and 10-cent beer," to use an early frontier saying, we know this is not possible today—but I do think that this 4-year program is the best that we could have agreed upon under the circumstances.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from South Dakota [Mr. BERRY] such time as he may require.

(Mr. BERRY asked and was given permission to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, I thank the chairman. I rise in support of the conference report.

Mr. Speaker, I rise in support of the conference report on H.R. 9811 to be known as the Food and Agriculture Act of 1965.

I am supporting this legislation because, for a change, it increases farm

income. While it is an omnibus bill and covers all supported agricultural commodities, it is nevertheless a vast improvement over some of the present programs.

First, with regard to wheat. The bill formulates a combined price support on wheat of \$1.84½ a bushel. This is roughly 15 cents per bushel more than the price cooperators are receiving at the present time. I opposed, and I voted against, the wheat bill last year for the sole reason that it materially reduced the support price of wheat. Mr. Speaker, I have never voted to reduce farm income and I hope I never shall. Every vote I have cast has been for an improvement in the farm income situation. There is absolutely no reason why this support rate schedule could not have been passed last year instead of the poverty bill rate that was passed.

In computing the \$1.84½ a bushel, it is arrived at by paying full parity for domestic food use of wheat, namely for 500 million bushels. The full parity price as of July 1 will be used in the 1966 price-support calculation which is \$2.57. The loan price for the 1966 crop will remain at its present level of \$1.25 per bushel or a difference between the loan price and the parity price of \$1.32. Of this the millers will pay 75 cents and the balance of 57 cents will be paid out of the U.S. Treasury.

One discouraging feature in the wheat program is the fact that the conference committee failed to be able to boost the resale price to 115 percent of parity. I am convinced this would have increased the price of wheat by at least 10 cents a bushel and had introduced legislation providing for a 115-percent limitation, however, it was lost in the conference shuffle.

On feed grains the program was left pretty much as it is at the present time. The one disappointing feature is the fact that the Secretary is authorized to lower the present loan rate and increase the present price-support payment. This is, of course, a whip in the hands of the Secretary to force farmers to comply. The effect, however, is that when the Secretary lowers the loan rate this means the price of feed grains will automatically be reduced. For the complier, however, the increase of the support price offsets the loan price reduction. But, the part of the agriculture industry suffering the greatest damage is the producer and feeder of beef and lamb, because beef prices normally follow feed prices.

I would mention only briefly the extension of the National Wool Act which was changed very little in the conference. It fixes the support level of shorn wool at the present rate of 62 cents a pound with a parity index increase which would mean a support price of 65 cents in 1966 and 66 cents in 1967, with the support level for 1968 and 1969 depending upon further changes in the parity index.

There is one bad feature in the bill for the young farmer trying to get started in agriculture. That is the cropland adjustment program authorizing

the Secretary to enter into 5- and 10-year contracts for the conversion of cropland from production into conservation uses. It would authorize as much as 40 million acres to be taken out of production by 1970. This program is very similar to the soil-bank program which, while beneficial to a retiring farmer, was damaging to the young farmer.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from California [Mr. TEAGUE] 3 minutes.

Mr. TEAGUE of California. Mr. Speaker, I was one of the conferees who did not sign the report. I wish to make clear to my colleagues that this is not because of any objection whatsoever to the performance of the House conferees. I believe that under the leadership of the chairman, and on a bipartisan, nonpartisan basis, we did the best possible, and really a good job of sustaining the House position. I am simply opposed to omnibus farm bills. I did not vote for the House bill. I would not have voted for the Senate bill. I shall not vote for the conference report. It does not make sense to me to put cheese, boll weevils, Rice Crispies, chewing tobacco, Corn Flakes, Shredded Wheat biscuits, boiled peanuts, golf courses, fishponds, bed-sheets, and birth control pills all in the same subsidy bill costing the taxpayers \$4 billion a year.

Thank goodness California artichokes and mushrooms were left out of the grab bag.

Mr. COOLEY. Mr. Speaker, I yield to the gentlewoman from Washington whatever time she may require.

Mrs. MAY. Mr. Speaker, I rise in support of the conference report. I voted against the farm bill when it passed the House. I believe the conference version of the bill is a distinct improvement over the House-passed bill. By this I mean that title I, the class I dairymen's base plan emerged in what I feel to be in a good and workable form. Title II, the Wool Act extension, with the minor changes made by the Senate, is a program that has my enthusiastic support and for which I have worked. Title III, the feed grains program, is much improved over the House version, especially for feed deficit areas such as my State of Washington. Title IV, cotton, is immeasurably improved over the mess that was first passed by the House. Title VI, the cropland adjustment program, is worthy of support.

Only title V, the wheat program, Mr. Speaker, contains a feature to which I object. In the Agriculture Committee, and agreeing with the Wheat Growers Association and the Grange, I voted for the wheat title. But between the time the omnibus bill was reported out of committee and the time it was debated on the House floor, and without the knowledge or consent of farmers or farm groups, nonfarm interests crying "bread tax" were able to effect a change in the wheat program which is in direct contravention to the long sought-after goal of our farmers of a fair return from the marketplace. That original provision, which was in the bill when I voted for it in committee, and which would have

made a fair return from the marketplace possible, was stricken from the bill by agreement and capitulation to nonfarm interests. As a result we now have what amounts to the most costly wheat program ever devised, and the drain will be on the Treasury. Our wheatgrowers certainly can use the income, Mr. Speaker, there is no question about that. But they wanted their income from the marketplace, not out of Uncle Sam's pocket. Now, with hat in hand, they will have to come to the Appropriations Committees.

This is, however, an omnibus bill, with many programs. Most of them are good and certainly better than when the bill was first before the House. Because of this, I will support the conference report.

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from Kansas [Mr. DOLE] 2 minutes.

Mr. DOLE. Mr. Speaker, I might say at the outset that it is always a pleasure to follow a lady such as Mrs. MAY. I rise in support of the conference report.

(Mr. DOLE asked and was given permission to revise and extend his remarks.)

THE CROPLAND ADJUSTMENT PROGRAM

Mr. DOLE. Mr. Speaker, the cropland adjustment program has a broad and long-term significance for nonfarm people, especially those interested in conservation, wildlife, and the preservation of natural beauty.

The program would provide for better conserving use of up to 40 million acres of surplus cropland that are not needed now to produce farm commodities, and will not be needed for many years to come.

The cropland adjustment program, by devoting substantial amounts of land to long-term conservation practices, would allow extensive planting of trees, shrubs, and permanent, high-quality grasses and legumes that provide an attractive home for pheasants, grouse, quail, and other upland game birds.

The Government would share the cost of establishing new uses for land in the cropland adjustment program. In addition, consideration could be given to higher land rental payments to farmers who are willing to permit use of their land without charge for hunting, for watershed protection or other specific nonfarm benefits through cooperative agreements with local organizations and officials such as State game and fish commissions. Also farmers receiving regular rental rates would be permitted to convert their cropland to recreation use, for a fee as a supplement to other farm income.

One of the methods used to help farmers adjust their production of crops in surplus supply through commodity programs is the diversion of cropland to conserving uses on a year-to-year basis. The cropland adjustment program would supplement the commodity programs by providing for diversion of cropland on a long-term basis.

Diversion of cropland on a long-term basis can be accomplished at a lower cost than through annual commodity programs. Savings from cropland adjustment program as compared with annual diversion programs are expected to be in the range of \$4 to \$5 million per million acres contracted. If the program is built up to about 40 million acres after 5 years, it could reduce dependence on annual programs for diversion and save up to \$200 million a year.

I have a question that I should like to pose to the gentleman from Texas [Mr. POAGE] with reference to the cropland adjustment section. It is my understanding that in the first year of the operation of this program, you must put 100 percent of one allotment crop into the program, and that thereafter it can be on a percentage basis.

Mr. POAGE. That is correct.

This allows 100 percent of an allotted crop this coming year. After that time the Secretary may prescribe the percentage that is required, with the idea he will learn, with a year of experience, about what is going to be needed.

Mr. DOLE. In other words, a man with a 40-acre feed grain base and a 100-acre wheat allotment could put in the 40 acres of feed grains plus some additional wheat acreage, is that correct?

Mr. POAGE. That is correct.

Mr. DOLE. I have one other question, relating particularly to producers who were not producing feed grains in 1959 and 1960. Was any provision made for the relief of these people? Were the base years extended, or discussed?

Mr. POAGE. No, we did not change the law on that. It is the same it has been.

Mr. DOLE. In other words, the existing law remains the same.

Mr. POAGE. They would have the same opportunity as now to participate in the growth factor.

Mr. DOLE. I thank the gentleman. In my opinion, the cropland adjustment program will be well received throughout the country, and I am certain we all trust that it is administered in such a way as to attract broad participation.

I do regret that changes were not made in the feed grain sections, particularly with reference to the regulation providing that the normal conserving base for a farm shall be the average acreage on the farm devoted to conserving uses during the base years 1959-60. I appreciate the fact the conferees considered this and trust that perhaps next year some relief can be provided.

Without question, the conferees have labored long and hard, and even those who did not sign the conference report would indicate the legislation embodied in the report is better than that passed by either the House or Senate earlier.

Mr. COOLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OLSON].

(Mr. OLSON of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. OLSON of Minnesota. Mr. Speaker, the distinguished chairman of the House Agriculture Committee [Mr. COOLEY], in his opening remarks, pre-

sented us with a very excellent statement regarding the efforts of the Agriculture Committees in the House and the Senate and the entire membership in behalf of agriculture in this session.

As a member of the committee, I know how diligently my colleagues applied themselves in presenting this legislation. No one can realistically believe that this farm bill has fulfilled completely the requirements of those who produce the commodities which are affected. Since our criticisms of any such deficits will at this time serve no good purpose I shall rather confine my remarks to the areas of progress.

First, and very important, is the fact that this act adds to and extends our farm programs for 4 years. My colleagues who do not represent a farming area, I am sure, cannot fully appreciate how significant this is. Last year, a large area of the district I represent suffered one of the most severe droughts in a quarter century. This year, only a few days ago, the same farmers saw as high as 60 percent of their crop lost because of a killing frost before the crop matured. I know I speak for the farmers of my district when I express appreciation for a 4-year farm program, thus removing the anticipation caused by not knowing what the immediate future might hold in the way of a farm program.

The additional income provided in the feed grains and wheat programs will go to pay operating costs for many producers in my district that might otherwise be unpaid or be an obligation that would merely increase because of interest costs. You notice that I specifically mention the payment of operating costs. These dollars are spent with the local businessman who can provide better service to the community with dollars in the till rather than I O U's.

This farm bill is not only important to the farmers and those who serve them directly, but it will play an important role in a healthy national economy. About one-fifth of the value of our trade with other nations is generated through agricultural commodities.

The House Agriculture Committee refined and improved farm programs that have been effective and thus we are assured that this legislation provides the framework upon which a long-range program can continue to improve income for our Nation's farmers. The feed grains program has since its enactment in 1961 proven to all those who were in doubt that incentives and administration could reduce our burdensome surpluses while increasing farm income. The surpluses are for all practical purposes gone while farm prices have continued to climb from the low point of the prefeed grains program. The correction of the feed grain supply and price situation has also resulted in current livestock prices being the highest received in many years.

It is difficult to imagine anyone being able to interpret this record as being adverse to the best interests of our farmers and the Nation as a whole.

[Mr. LATTA addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. COOLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. QUIE].

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Speaker, I am going to support the conference report, because I believe by and large it is better than the bill which passed the House.

For instance, on the cropland adjustment program I believe we have an even better program here, as it is explained on pages 35 and 36 of the report. This will give more emphasis to hunting and fishing and to the kind of utilization of the land nonfarmers will be interested in. It will provide for long-range land retirement, the most economical way to bring about a balance of supply and demand, and at the same time be more acceptable to the nonfarm public who pay so much of the taxes on this program.

I would say, however, there is one part of this new bill about which I am disappointed. That is the revised feed grain program and the permission of the Secretary of Agriculture to reduce the loan below 65 percent of parity. It is interesting to me to see the Democratic majority now pushing down feed grain prices by pushing down the loan on feed grains, as I remember the battles we had in the Midwest about preventing low feed grain prices because low feed grain prices mean low livestock prices.

All we can do now is hope that the Secretary of Agriculture will use his authority more wisely than he has in the past and will not put the loan down and then ram the market price down by using the low resale formula, which would surely be a hardship to the farmers in my area and the whole Midwest, who for one reason or another find it impossible to participate in the feed grain program.

I remind Members that the feed grain program is different from the wheat or cotton or other programs which have had mandatory controls in the past. Because of this the history of production in the years 1959 and 1960 were completely arbitrary, not necessarily meaningful in the next 4 years and will cause an even more undue hardship on some feed grain farmers and total income of these farmers.

In the time I have remaining there is one point I should like to cover. I heard the colloquy between the gentleman from California [Mr. HAGEN], and the gentleman from Texas [Mr. POAGE], on the dairy section.

I have a question. In the event that in a regulated market with a class 1 base plan a handler receives a part of his milk from regulated producers and a part of it from a handler in another area who has unregulated producers, it is my understanding it would not be possible for them to allocate a base to a producer who was in the regulated area greater than any production which he made in the previous period on which the base is determined.

I see you shaking your head. Maybe I can ask the question a little more simply. Suppose there was more class 1 base to pass around than there was actu-

ally production for class 1 purposes in the Federal order during the period of time on which the bases were to be established. It is my understanding there was no intention that any producer should receive a higher base than he actually produced during this representative period. Is that correct?

Mr. POAGE. If the gentleman will yield, I am sure that was the intention. Although I do not understand that there is anything in the law stating that you could not give a base based on 110 percent of previous production so long as it was the same for all of the producers. It simply says that you may use a past period of production as the base on which you calculate. I think you can calculate up as well as down, although this is an improbable situation.

The SPEAKER. The time of the gentleman has expired.

Mr. COOLEY. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. QUIE. But there was no intention, as I understand it, for a higher base to be given than the dairy farmer previously produced.

Mr. POAGE. Certainly there was no intention to give anybody more base than they could use. There was certainly no intention of that sort, and I cannot conceive of the situation working out as the gentleman suggested. However, I can say there was no intention to give a man more than he could use.

Mr. QUIE. I thank you.

Mr. COOLEY. Mr. Speaker, I yield such time as he may require to the gentleman from Virginia [Mr. ABBITT].

Mr. ABBITT. Mr. Speaker, I feel that the conferees have worked out a much improved farm bill. It goes a long way toward helping to solve some of our problems, and I propose to support it.

Mr. COOLEY. Mr. Speaker, I want to yield now to the gentleman from Texas [Mr. PURCELL] as much time as he may require, but before I do so I want to compliment the gentleman, as he was the chairman of the Subcommittee on Wheat which did such a wonderful job and he worked very hard on it.

[Mr. PURCELL addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from South Carolina [Mr. DORN].

Mr. DORN. Mr. Speaker, the distinguished, able, and illustrious chairman of the Agricultural Committee, the gentleman from North Carolina [Mr. COOLEY], the distinguished gentleman from Texas [Mr. POAGE], and each member of this great Committee on Agriculture have earned the gratitude of all of us in working out an agreement with the other body to provide for the American people the best agricultural bill in history.

Mr. COOLEY has again accomplished the impossible. He and his committee have done a magnificent job. This bill is the result of long hard hours and dedicated efforts on the part of the members of this committee and of the Agriculture Committee in the other body.

When this bill becomes law, it will serve the best interests of the American consumer, the American farmer, indus-

try, and labor. For the first time in many years the American people can look forward to the same program for 4 years. They can plan accordingly. This bill will promote stability. The textile industry and their employees can now look to the future with assurance. The textile industry the last few years has been through one of its most trying periods in history. The industry and its employees were faced with foreign imports, outmoded machinery, tax burdens, and with their competitors abroad buying American cotton at 8½ cents per pound less than the textile manufacturer in the United States could buy the same cotton.

With an understanding leadership here in Washington the employees of the textile industry are now fully employed and face a bright future. It is now possible, with one-price cotton assured for another 4 years, that air conditioning and modernizing of mills will continue. Improved working conditions will be the order of the day. It will now be possible for our great industry to expand, grow, and compete. Under this legislation the textile industry will help keep the cotton farmer in business by being able to purchase and use more cotton.

Mr. Speaker, this is a great day for many of us who have been in the thick of the fight to save our textile industry and our cotton farmers. For me personally, it has been a long trying experience beginning in 1953.

Today I am delighted and happy and again wish to thank my colleagues as my people face the future with optimism.

(Mr. DORN asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I yield such time as he may require to the gentleman from South Carolina [Mr. McMILLAN].

Mr. McMILLAN. Mr. Speaker, I would like to commend the conferees for approving the one-price cotton system contained in this bill. I think the omnibus farm bill has been improved since it left the House.

Mr. COOLEY. Mr. Speaker, I yield such time as he may require to my colleague from South Carolina [Mr. GETTYS].

Mr. GETTYS. Mr. Speaker, I would like to associate myself with the remarks of Mr. McMILLAN and Mr. DORN, my South Carolina colleagues, and congratulate and commend Chairman COOLEY and other House conferees for the wonderful job they have done on this omnibus farm bill which means so much to farmers and textile workers and the textile industry of my district.

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. NELSEN].

(Mr. NELSEN asked and was given permission to revise and extend his remarks.)

Mr. NELSEN. Mr. Speaker, referring to this conference report, I would like to point out that in the area that I represent, about 70 percent of the farm income is from sales of livestock products—milk, pork, and beef. Many of the farmers who live in my area do not even have

a feed grains base for reasons sometimes hard to understand. If the loan level is to be dropped and the compensatory payment is to make up the difference, which some cannot get because they have no base, then these particular farmers are in competition with finished products in a market of depressed feed grains prices.

I believe this problem can be solved if the Secretary exercises proper judgment. But I am not sure that he will because it seems that his attitude is that if the price is depressed, the farmer is forced into the program, which he cannot get into because he has no base.

I wish someone would build a record here that would indicate that it should be incumbent upon the committee to see to it at least that a farmer can participate in the feed grains program, which many have been denied the opportunity to do. If we depress the price of feed grains, the farmer who raises his own grain for his own livestock products will be driven off the farm. The very backbone of the Midwest is being damaged by this type of administration.

Mr. FOGARTY. Mr. Speaker, in connection with this conference report on H.R. 9811 now before the House, I would like to include my remarks on a phase of this bill which were prepared for delivery at a meeting of the Rhode Island section of American Association of Textile Chemists and Colorists:

THE CONSUMER IS THE BOSS

(Remarks of U.S. Representative JOHN E. FOGARTY, Second Congressional District, Rhode Island, before the "Management Night" meeting of the Rhode Island section of American Association of Textile Chemists and Colorists, at the Wannamoisett Country Club, East Providence, R.I., on September 17, 1965)

When your committee was putting together tonight's program and asked me for a title to head up the remarks I would make here, I must confess I was a bit puzzled how best to sum up my ideas in one line.

In these situations, all sorts of fancy thoughts occur—you know, the ringing phrase, the colorful adjective—but usually commonsense—someone else's, if not mine, prevails, and we manage to get down to the basics.

Thus, the title, "The Consumer Is the Boss."

Now, that may sound too simple. I realize that. But, I chose that all-too-simple title because it describes precisely what I want to say. It describes an old, even trite, thought that most of you, I am sure, think you have in mind all the time.

A close look at events in the textile field generally, however, causes me to wonder very seriously if the textile industry at its very top echelon really is thinking that the consumer is boss.

I am not talking here about design, texture, color, and factors of that kind because I am sure that those of you who are professionals in this field must of necessity have the consumer in mind for the very good reason that if you don't, the salesman can't sell the stuff.

My concern, rather, is with the overall outlook of the textile industry, particularly as it applies to cotton and the relationship of that natural product to the manmade fibers, the synthetics.

My concern is—and has been—with the role Government is playing in the decision which ultimately can be made only by the consumer.

During the past 18 months I have seen the cotton textile industry swallow its pride and

go down to Washington to beg for a Government subsidy. And, I have seen this same textile industry get that subsidy, despite my own opposition and that of many other Members of the Congress.

During the current year, it is costing the American taxpayer about \$600 million to pay that subsidy; next year, it probably will cost nearly \$1 billion to make the Government payments.

All the while, the price of cotton goods to consumers has risen—despite all the promises and pledges of 18 months ago that prices would drop if only the Government would help. All the while, cotton exports have dropped to one of the lowest levels in history. As a result, cotton surpluses in Government warehouses are at nearly an alltime high.

The cotton textile industry argues that the situation would have been far worse without Government subsidies; that the subsidy has helped raise wages, and that the use of cotton domestically has climbed.

I am not impressed by any of these statements. Personally, I don't think the cotton situation possibly could be much worse. I think that raises given labor in the textile mills were justly earned on the basis of increased productivity, and I well know that those who claim an increased utilization of cotton at the domestic level are—intentionally in some cases—trying to fool the public.

Of course, the use of cotton has risen, but—and this is most significant—the use of synthetics has climbed at an even faster pace. In other words, our increased population is demanding more cloth, but that stronger demand is favoring synthetics more than cotton—and now don't we really know the consumer is the boss, no matter what the Government does.

What particularly disturbs me is that this tremendous subsidy to textile mills is a double subsidy. It is a subsidy to offset for manufacturers a subsidy we, the Government, already is paying cotton growers. Even as I describe the situation at the moment, I find myself wondering, how silly can we get?

Here we are, paying a subsidy to farmers and then turning around to pay a subsidy to textile mills to offset the subsidy we are paying to the farmers. You've heard of a dog chasing his tail.

I make these statements in the full knowledge that it was the Government which put textile manufacturers in the disadvantageous position of being forced to pay more for cotton than their foreign competitors had to pay. I know that. I know that when the U.S. Department of Agriculture increased the farm supports for cotton in 1961, U.S. textile mills were compelled to pay more than 8 cents a pound more for cotton than foreign mills. I know this is a great injury to U.S. mills.

But, I also know that this increase in the farm support price of cotton was done by an executive order from the Secretary of Agriculture, and that it could have been undone in exactly the same way. I know that American textile mills were injured, but I maintained then—and do now—that the textile mills took a cowardly way out of the problem.

This brings me to the point in my little talk where I must put up or shut up. I realize that if I harshly criticize a Government program—and private industry for being part of that program—I have the responsibility to suggest another approach.

I make no presumption that I am an expert in the field of textiles, but I think we must analyze the basic problem honestly to approach a good solution.

It seems to me that the root of our problem started many years ago in the payment of large Government subsidies to cotton farmers. In those days, those subsidies may have been necessary, but, as is usually the

case with Government handouts, they became larger as time passed.

And so, for more than 35 years Government has been paying a subsidy to cotton farmers.

Looking at the record makes me wonder why.

Do you know, for example, that despite a tremendous growth in our own population, right now the United States is producing less cotton than it was in 1925? About 1 million bales less each year.

Do you know that all the foreign countries now producing cotton are producing three times more cotton than they did in 1925?

Forty years ago, the United States had 50 percent of the cotton acreage of the world. Today, the United States has 17 percent of the cotton acreage of the world.

And, all sorts of experts try to tell me that this is progress; that things would be worse if the Government had not interfered. I repeat, "How silly can we get?"

I suppose things could get worse if we continue to interfere in this situation. I suppose that if Government keeps its heavy hand in the picture—and if the textile industry continues to lobby for the wrong legislation—we well might succeed in making cotton a museum piece. I can imagine that the synthetic advocates among you might cheer, but I happen to believe the longtime best interests of the Nation rest with keeping cotton as a vital fiber—if we can.

I am well aware that this year's legislation cuts back the textile mill cotton subsidy and pays a heavier subsidy to the cotton growers. I am also well aware that the cotton textile mills fostered this change because, actually, they have been ashamed to be caught with such a large, sticky hand in the cookie jar. So, they propose putting a light-fingered touch on the Government, and making the cottongrower's hand even more sticky than it has been.

It all adds up to cheaper cotton to the mills—cheaper to the mills, but not to the taxpayers.

Relatively, the cotton textile industry has been a recent feeder at the public trough; the cotton-growing industry has been a longtime feeder. But, it was the bill of 18 months ago that first inaugurated for cotton the idea of a compensatory payment for cottongrowers. This, as you know, is the plan that makes cotton producers directly dependent upon a Government handout for a good part of their livelihood.

We have only to look at the woolen producers to see a classic example of what will happen to any industry that long allows Government—instead of consumers—to make decisions.

The woolen producers of this Nation have been receiving compensatory payments for 10 years. Here, it is said, the theory is a bit different because we do not produce nearly enough wool for our needs, while cotton is a crop in tremendous surplus.

But, with all that, look at what happened to producers of wool.

Production of shorn wool in the 10th year of this program is 6 percent below that of a year ago, while that of shorn and pulled wool, combined, was 12 percent less. On the other hand, imports of woolen textile products in the 10th year are up 129 percent and total domestic consumption was up about 8 percent. That, too, I am told, is "progress", but is it?

Now, then, to my idea of an approach to cotton: It is crystal clear to me that our problem is our own national approach to cotton production.

We in this country—in mills as well as on farms—have refused to admit the very obvious fact that the technology of cotton production has changed; that the days of 40 acres of cotton and a mule long since have—

or should have—gone.

Cotton, we find, when we look, has gone west to the irrigated lands of Texas, New Mexico, Arizona, and California—to irrigated lands where moisture can be combined, at will, to produce cotton in quantities per acre undreamed of by the man with 40 acres and a mule.

With this improvement in technology has come more economic production.

But we as a nation have refused to allow the efficient producers of cotton to produce the cotton for our Nation.

We, as a nation, have decided as a matter of national policy that we must perpetuate the man with a mule and 40 acres. Again, why? Because there are more of these men with 40 acres and a mule.

I know it doesn't take much courage for me—a Democrat from Rhode Island—to criticize the southern politicians who all these years have been fighting a rear guard action to keep their smaller cotton farmers on the land, but I submit that the textile industry of this Nation would be in a much healthier position tonight if it had recognized that factor long ago, and if it had demonstrated the courage to fight for what it thinks right. Wouldn't this be better than going to Washington to ask for a hand-out?

Why is cotton in trouble? It is simple. It is in trouble because we have made growing cotton a matter of Government right; we have made it a Government right by handing out these terrible things called cotton allotments.

Not satisfied with that, we have prevented the efficient growers from obtaining the cotton allotments they need to grow cotton at low cost, and so we have pushed up the production price so that foreign countries can't afford to buy our cotton unless we pay a subsidy.

And so we wind up with a double subsidy, one for the grower, one for the mill, but nothing for the taxpayer.

I am told by those who know that if we as a nation had the courage to face up to facts, we would find that the irrigated lands of the West could grow all the cotton we need at a price that would need no Government subsidy at all to move in the world market.

And why shouldn't this be so? Aren't we the most efficient agricultural producers the world has ever known? Of course we are.

Yet we refuse to allow those who can produce cotton efficiently to do so.

In my years of looking at this problem, I have had much reason to shake my head in wonderment.

During these last months, my wonderment has become even greater. Somehow, I know that the executives of the cotton textile industry know better than to ask for handouts. Once in a while, in a moment of utter frankness, some of these executives have admitted to me that mill subsidies do not make much sense.

Then why, I must ask, have not the mills fought in the Halls of Congress for a program that will allow the efficient cotton producers of this country to grow that cotton, without Government subsidy of all kinds? Why?

If these cotton textile mills can lobby efficiently enough to get these vast sums of money from the Congress—and the taxpayers—should they not turn their efficiency to production of a sane cotton policy?

I know this cannot be altered in 1 day—or even 1 year—but if the cotton textile mills persist in their blind rush for more and more Government handouts, they are sowing the seeds of their own destruction. They are selling themselves short for a paltry bag of gold.

I say all of this because we all know that people on Government dole have no incentive to produce more efficiently, to produce better products. Drug the industry long enough with Government handouts, and the synthetic producers will jump with glee.

Produce inferior cotton textiles, and the consumer will tell you—surely and quickly—that she indeed is the boss.

In short, I say that it would be much cheaper for the Federal Government to give real, honest-to-goodness handouts to those small, inefficient cotton producers.

That done, I then would turn loose the efficient cotton producers of the Nation. My wager is that these efficient producers would put cotton into our mills at a price competitive anywhere in the world. And then, the Federal Government could get out of the cotton business.

Certainly, the cotton producers of this Nation are not producing for consumers right now. They are producing for Government warehouses. If that is allowed to continue, the consumer will turn increasingly to synthetics because the competition of that industry remains high and vibrant.

My message to the cotton textile mills is "wake up" or the consumer will really show you who is boss.

Mr. HANSEN of Iowa. Mr. Speaker, I rise in support of the conference report on the Food and Agriculture Act of 1965.

The conferees on the omnibus farm bill have hammered out a most excellent measure that is in the best interest of all of the people of this Nation. In accepting this proposal today, the House of Representatives will voice its concurrence with the generally favorable attitude of farmers, laborers, and businessmen toward this needed enabling legislation. The bill thus approved will continue a highly effective and popular program. With some modifications added to already good legislation, this measure will give the Department of Agriculture new and more adequate tools with which to handle the agricultural management problems that continue to face it.

The members of the conference committee are to be highly commended for the diligent work which they performed and for the development of this very fine piece of legislation.

Mr. COOLEY. Mr. Speaker, I move the previous question on the conference report.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 219, nays 150, not voting 63, as follows:

[Roll No. 359]

YEAS—219

Abbott	Aspinall	Brademas
Albert	Bandstra	Brooks
Anderson,	Barrett	Brown, Calif.
Tenn.	Battin	Broyhill, N.C.
Andrews,	Beckworth	Burke
Glenn	Berry	Burleson
Andrews,	Bingham	Burton, Calif.
N Dak.	Blatnik	Byrne, Pa.
Annunzio	Boggs	Callan
Ashley	Boland	Callaway
Ashmore	Bonner	Carter

Casey	Jonas	Reifel
Chelf	Jones, Ala.	Resnick
Clevenger	Jones, Mo.	Reuss
Conyers	Karsten	Rhodes, Pa.
Cooley	Karth	Rivers, Alaska
Craley	Kastenmeier	Roberts
Culver	Kee	Rodino
Daddario	Keith	Rogers, Colo.
Daniels	King, Calif.	Rogers, Tex.
Davis, Ga.	King, Utah	Ronan
Delaney	Kirwan	Roncallo
Denton	Kornegay	Rooney, N.Y.
Diggs	Landrum	Rooney, Pa.
Dingell	Langen	Rosenthal
Dole	Leggett	Rostenkowski
Donohue	Love	Roush
Dorn	McDowell	Roybal
Dow	McFall	Ryan
Dowdy	McGrath	St. Onge
Dyal	McMillan	Scheuer
Edmondson	McVicker	Schisler
Edwards, Calif.	MacGregor	Schmidhauser
Ellsworth	Mackay	Scott
Everett	Mackie	Secrest
Evins, Tenn.	Madden	Senner
Farbstein	Matsunaga	Shriver
Farnsley	Matthews	Sickles
Fascell	May	Sikes
Feighan	Meeds	Sisk
Fisher	Miller	Skubitz
Flynt	Mills	Smith, Iowa
Foley	Minish	Staibbaum
Ford,	Mink	Steed
William D.	Mize	Stubblefield
Fountain	Moeller	Sullivan
Friedel	Moorhead	Sweeney
Fulton, Tenn.	Morgan	Taylor
Fuqua	Morrison	Teague, Tex.
Gallagher	Moss	Tenzer
Gettys	Multer	Thompson, N.J.
Gilbert	Murphy, Ill.	Todd
Gonzalez	Murphy, N.Y.	Trimble
Green, Pa.	Natcher	Tunney
Greigg	Nelsen	Tupper
Grider	Nix	Tuten
Hagan, Ga.	O'Hara, Mich.	Udall
Hagen, Calif.	O'Konski	Ullman
Hamilton	Olsen, Mont.	Van Deerlin
Hanna	Olson, Minn.	Vigorito
Hansen, Iowa	O'Neal, Ga.	Vivian
Hansen, Wash.	O'Neill, Mass.	Walker, N. Mex.
Harris	Patten	Watson
Hathaway	Perkins	Watts
Hawkins	Philbin	Weltner
Helstoski	Pickle	White, Idaho
Henderson	Poage	White, Tex.
Hicks	Poff	Whitener
Howard	Pool	Willis
Hull	Price	Wilson,
Hungate	Purcell	Charles H.
Huot	Quie	Wright
Ichord	Race	Yates
Jennings	Randall	Young
Johnson, Okla.	Redlin	

NAYS—150

Abernethy	Dent	Herlong
Adair	Derwinski	Horton
Adams	Devine	Hutchinson
Addabbo	Dickinson	Irwin
Ashbrook	Duncan, Tenn.	Jacobs
Baldwin	Dwyer	Jarman
Baring	Edwards, Ala.	Johnson, Calif.
Belcher	Erlenborn	King, N.Y.
Bell	Fallon	Krebs
Bennett	Farnum	Kunkel
Betts	Findley	Laird
Bolton	Fogarty	Latta
Bow	Ford, Gerald R.	Lipscomb
Bray	Fulton, Pa.	Long, Md.
Broyhill, Va.	Garmatz	McCarthy
Buchanan	Gathings	McClory
Burton, Utah	Giaino	McCulloch
Cahill	Gibbons	McDade
Cameron	Goodell	McEwen
Cederberg	Grabowski	Macdonald
Clancy	Gray	Machen
Clausen,	Green, Oreg.	Mahon
Don H.	Griffin	Malliard
Cleveland	Griffiths	Marsh
Cohelan	Gross	Martin, Nebr.
Collier	Grover	Mathias
Colmer	Gubser	Michel
Conable	Gurney	Minshall
Conte	Haley	Monagan
Corbett	Hall	Moore
Corman	Halleck	Morris
Cramer	Hanley	Morse
Curtin	Hansen, Idaho	Morton
Curtis	Harsha	Mosher
Dague	Harvey, Ind.	Nedzi
Davis, Wis.	Harvey, Mich.	O'Brien
de la Garza	Hechler	Ottinger

Passman	St Germain	Waggonner
Pelly	Schneebeli	Walker, Miss.
Pike	Schweiker	Watkins
Pirnie	Selden	Whalley
Pucinski	Shibley	Whitten
Quillen	Slack	Widnall
Reid, Ill.	Smith, Calif.	Williams
Reid, N.Y.	Smith, Va.	Wilson, Bob
Rhodes, Ariz.	Springer	Wolff
Robison	Stanton	Wylder
Rogers, Fla.	Stratton	Younger
Roudebush	Talcott	Zablocki
Rumsfeld	Teague, Calif.	
Satterfield	Thomson, Wis.	

NOT VOTING—63

Anderson, Ill.	Evans, Colo.	Martin, Ala.
Andrews,	Fino	Martin, Mass.
George W.	Flood	Murray
Arends	Fraser	O'Hara, Ill.
Ayres	Frelinghuysen	Patman
Bates	Gilligan	Pepper
Bolling	Halpern	Powell
Brock	Hardy	Reinecke
Broomfield	Hays	Rivers, S.C.
Byrnes, Wis.	Hébert	Saylor
Cabell	Holifield	Smith, N.Y.
Carey	Holland	Stafford
Celler	Hosmer	Staggers
Chamberlain	Joelson	Stephens
Clark	Johnson, Pa.	Thomas
Clawson, Del	Kelly	Thompson, Tex.
Cunningham	Keogh	Toll
Dawson	Kluczynski	Tuck
Downing	Lennon	Utt
Dulski	Lindsay	Vanik
Duncan, Oreg.	Long, La.	Wyatt

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Stafford against.
 Mr. Toll for, with Mr. Lindsay against.
 Mr. Gilligan for, with Mr. Utt against.
 Mr. Celler for, with Mr. Fino against.
 Mrs. Kelly for, with Mr. Frelinghuysen against.
 Mr. Tuck for, with Mr. Reinecke against.
 Mr. Lennon for, with Mr. Martin of Alabama against.
 Mr. Carey for, with Mr. Hébert against.
 Mr. Martin of Massachusetts for, with Mr. Long of Louisiana against.
 Mr. Powell for, with Mr. Halpern against.
 Mr. Holifield for, with Mr. Hosmer against.
 Mr. Rivers of South Carolina for, with Mr. Del Clawson against.
 Mr. Joelson for, with Mr. Wyatt against.
 Mr. Holland for, with Mr. Saylor against.
 Mr. Hays for, with Mr. Broomfield against.
 Mr. Kluczynski for, with Mr. Bates against.
 Mr. Flood for, with Mr. Ayres against.
 Mr. Evans of Colorado for, with Mr. Chamberlain against.
 Mr. Duncan of Oregon for, with Mr. Johnson of Pennsylvania against.
 Mr. Clark for, with Mr. Vanik against.
 Mr. Cabell for, with Mr. Hardy against.
 Mr. Dawson for, with Mr. Staggers against.
 Mr. O'Hara of Illinois for, with Mr. Dulski against.
 Mr. Pepper for, with Mr. Downing against.
 Mr. Patman for, with Mr. Cunningham against.
 Mr. Stephens for, with Mr. Anderson of Illinois against.
 Mr. Fraser for, Mr. Smith of New York against.

Until further notice:

Mr. George W. Andrews with Mr. Brock.
 Mr. Thomas with Mr. Byrnes of Wisconsin.
 Mr. Thompson of Texas with Mr. Murray.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. GREIGG. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the conference report just agreed to on H.R. 9811.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

FURTHER MESSAGE FROM THE SENATE

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2118) entitled "An act to amend sections 9 and 37 of the Shipping Act, 1916, and subsection O of the Ship Mortgage Act, 1920, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. BARTLETT, and Mr. DOMINICK, to be the conferees on the part of the Senate.

STOCKPILE DISPOSAL PROGRAM

(Mr. PHILBIN asked and was given permission to extend his remarks at this point in the Record.)

Mr. PHILBIN. Mr. Speaker, recently, the House passed H.R. 11096, a bill providing for the disposal of three items of excess materials from the national and supplemental stockpiles. This is the last stockpile disposal bill which I will bring before you this session of Congress. In so doing, I am happy to report that this disposal action will net the Government approximately \$17,600,000, if the market prices remain firm.

I also wish to report that the subcommittee of which I have the honor to head, the Armed Services Committee, and the House of Representatives have acted favorably on every legislative proposal for disposal of excess materials which the executive branch of the Government has submitted to us this session. While certain of these administrative proposals were amended after thorough hearings to increase or decrease the amounts proposed, none of the proposals was rejected. In addition, the committee has reported out and the House of Representatives has acted on every single stockpile bill introduced by a Member of this House on which a favorable report was received from the executive branch of the Government.

The result is that the House of Representatives has passed 15 separate bills providing for the disposal of 25 different excess materials. The acquisition cost of the materials authorized for disposal totals approximately \$1 billion.

We, who are charged with the responsibility of hearing and recommending a course of action in regard to the stockpile disposal program, are cognizant of the tremendous responsibility placed upon us.

We have attempted to produce sound legislation. We always seek to avoid, insofar as possible, any loss to the Government. We have strived equally hard to avoid any disruption in the market—and in no instance that we know—have there

been any disruptions in the market. We have urged the administration to present a program for the prompt and orderly disposal of excess materials. We have attempted to accommodate business and industry, which, in these times of present shortages, have urgent need for such materials from the stockpiles.

And yet, at the same time, we have assured ourselves that the disposals from our stockpiles have not in any way impaired our national security.

I believe I would be remiss if I did not take this opportunity to express not only my personal gratitude but also the appreciation of the members of the subcommittee and the Armed Services Committee for the reception which each of you in this august assembly, have given our legislative program in this area.

As you know, most of this legislation has passed under rules providing for unanimous consent, and in the few instances where the bills were enacted under the suspension of the rules, there were no dissenting votes to the disposal actions.

We of the committee are naturally deeply grateful to the House for the support given us in making the stockpile disposal procedures so very successful and effective.

We believe that this program has been helpful to the Government, to business and those employed in industry and is in the national interest.

Again, I express my appreciation for the confidence you have shown in this vital area of our work.

GOP TASK FORCE ON THE FEDERAL CIVIL SERVICE MERIT SYSTEM

(Mr. NELSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELSEN. Mr. Speaker, I rise today on the first anniversary of the Civil Service Commission's vigorous lack of action, its immobile mobility in resolving certain political arm-twisting cases I brought to its attention. One year ago today the Civil Service Commission advised me several Government officials in the Rural Electrification Administration were involved in illegal violations of Federal law and promised action. Since then, the Civil Service Commission has shown itself highly adept at the progressive stall, the retreating advance. It has proved with what massive minuteness it can march forward backward stealthily. Its sudden burst of inaction, its speedy slowpace, are monuments to diligent enforcement of Federal laws protecting our Federal civil service. The vigor with which the Commission has gone nowhere is remarkable, indeed.

Nor should we neglect the FBI which also investigated these charges. The alacrity with which the frozen scales of justice have not moved in the Justice Department should provide the American people with great reassurance.

Mr. Speaker, we are forced to conclude from all this that such stationary leaps as these two agencies of Government have demonstrated are no doubt the result of a political charlie horse.

In a more serious vein, Mr. Speaker, I want to thank my good friend, the gentleman from New York, Congressman GOODELL, for today appointing me as chairman of the special GOP task force on the Federal civil service merit system. I can assure the gentleman, and my colleagues here in this body, that I and the other members of our task force will do our best to bring about a more forceful implementation of Federal civil service laws protecting the Federal work force.

It will be our purpose to explore all possible ways to protect Federal workers from arm-twisting pressures applied for political purposes, including shakedowns for campaign funds. We intend to investigate any charges of political manipulation brought to our attention. We will also explore the ways and means our Federal laws might be strengthened to assure that self-seeking and politically motivated Government officials keep their hands off our public servants and their pocketbooks.

We welcome this opportunity to serve. Any Federal worker subjected to such harassment is invited to bring his problem to our attention.

LEGISLATIVE PROGRAM FOR THE WEEK OF OCTOBER 11, 1965

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, I have asked for this time for the purpose of inquiring of the distinguished majority leader concerning the program for next week.

Mr. ALBERT. Mr. Speaker, will the distinguished gentleman yield to me?

Mr. GERALD R. FORD. I do.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the distinguished Republican leader, we have finished the legislative business for this week and it is my intention to ask to go over upon the conclusion of the announcement of the program.

The program for next week is as follows:

Monday is District Day and there are seven bills:

H.R. 11487, District of Columbia revenue bill;

S. 1320, to amend certain criminal laws;

S. 1715, penalties for assaulting employees of penal and correctional institutions;

H.R. 11428, Washington Channel waterfront priority holders;

S. 1719, overtime pay for police.

H.R. 10497, increasing criminal penalties for certain telephone calls; and

H.R. 11439, increasing annuities to retired teachers.

There are also four travel authority resolutions from the Committee on Rules, as follows:

House Resolution 593, Committee on the Judiciary;

House Resolution 594, Committee on Public Works;

House Resolution 595, Committee on Post Office and Civil Service; and

House Resolution 596, Committee on Education and Labor.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
FOR INFORMATION ONLY;
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Issued Oct. 13, 1965
For actions of Oct. 12, 1965
89th-1st, No. 190

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HIGHLIGHTS: Senate agreed to conference report on farm bill. House began debate on sugar bill. Rep. Purcell praised farm bill. Sen. Long, La., and Rep. Boggs introduced and discussed hurricane disaster relief bills.

HOUSE

1. SUGAR. Began debate on H. R. 11135, to amend and extend the provisions of the Sugar Act of 1948. pp. 25776-822
2. LEGAL AID. The Judiciary Committee reported with amendment S. 1758, to provide for the right of persons to be represented by attorneys in matters before Federal agencies (H. Rept. 1141). p. 25859
3. PUBLIC WORKS APPROPRIATION BILL. Conferees were appointed on this bill, H R. 9220 (p. 25781). Conferees were granted until midnight Thurs. to file a report (p. 25781). See Digest 155 for provisions of the bill.
4. FLOOD CONTROL. Rep. Pelly opposed the proposed Rampart Canyon Dam of Alaska. pp. 25830-31

Rep. Boland acclaimed the dedication of the Littleville Dam and Reservoir in Mass. stating that it is the "first dual purpose dam in New England to incorporate flood control and future municipal water supply features." pp. 25852

5. FARM PROGRAM. Rep. Purcell stated that the farm bill "will have far-reaching effect on the problems of agriculture." pp. 25856-57
6. LEGISLATIVE PROGRAM. Rep. Albert stated that if the supplemental appropriation bill is disposed of on Thurs., "I hope we will be able to adjourn over until Monday." pp. 25783-84

SENATE

7. FARM PROGRAM. Agreed to the conference report on H. R. 9811, the farm bill (pp. 25720-41). This bill will now be sent to the President. See Digest 185 for provisions of the bill.
8. SOIL CONSERVATION. Sen. McClellan commended and inserted an address by Hollis R. Williams, Administrator for Watersheds of the USDA Soil Conservation Service, "Soil and Water Conservation Districts' Role in the Future." pp. 25695-97
9. WATER RESOURCES. Sen. Yarborough commended and inserted the speech of Sen. Moss on water problems. pp. 25698-700
Sen. Boggs inserted an editorial, "Our Buried Rivers," stressing the necessity for investigation of all available sources of fresh water.
Sen. Bennett stated that work is now ready to proceed on the Bonneville unit of the central Utah reclamation project which "will enable Utah to make the most beneficial use of its share of the Colorado River." pp. 25712-13
10. RESEARCH ANIMALS. Sen. McGee stated that there is "a vicious black market, operating in the supply of pets for research work," and inserted an article, "Animal Lovers: Beware the Pet Thieves." pp. 25719-20
11. FOOD COMMISSION. In response to a request by Sen. Javits, Sen. Mansfield announced that he had "no doubt" that a Commission on Food and Fiber will be appointed. pp. 25741-42
12. FARMLAND. Sen. McClellan inserted a letter from E. A. Jaenke, Acting Administrator of Agricultural Stabilization and Conservation Service, making it clear "that any land which has been cleared, planted, or in the process of clearing prior to October 1, 1965, and used for soybeans or other nonsurplus crops, as determined by the Secretary of Agriculture will not be added to the conserving base for the farm." p. 25742

ITEMS IN APPENDIX

13. FARM LABOR. Rep. Bob Wilson inserted an article describing labor problems of apple growers. p. A5731
14. FOREIGN AID. Extension of remarks of Rep. Brown, Calif., suggesting that a new look be taken at foreign aid and inserting an article, "Strategy for Aid." pp. A5732-3

terest and acquisitiveness upon the Western Hemisphere. It was Columbus who changed the history of the world by his courage and determination, and it is Columbus who best deserves the day we celebrate in his honor."

I ask unanimous consent to insert my Bridgeport statement and this Herald Tribune editorial in the RECORD at this point.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

The dedication of this memorial today is more than a tribute to a great man.

It is also a special tribute to all people of Italian descent who have followed in the footsteps of Columbus, for they have made an invaluable contribution to America and the Western Hemisphere.

Christopher Columbus was our first pioneer.

He was a man of great determination, courage and conviction.

He was a man who possessed a profound faith not only in the correctness of the calculations of science but also in a divine destiny and the protection of a God who guides those of vision and purpose.

He was a romantic and an idealist.

But he was also a realist who well understood that he faced two great challenges. He had to conquer the unpredictable and perhaps unknown elements of nature. He also had to overcome the skepticism and ridicule of most of the then known world.

Christopher Columbus probably endured moments of doubt, disappointment and despair, as do all men. But once on the westward course with his three frail ships, this captain never wavered in his determination to reach beyond the horizon.

Columbus had hoped to open a route to the East Indies, but his discovery, his contribution to civilization, is known to all.

This New World of magnificent beauty and freshness and seemingly unlimited resources offered mankind a new hope for the realization of human freedom, justice and happiness.

With this statue, Bridgeport pays impressive tribute to the man who undertook this historic voyage.

As many of you may know, I and some of my colleagues have worked long and hard to see legislation passed which would honor Columbus by making October 12 a national holiday.

During the last Congress we were partially successful in our efforts, and we are continuing this work this year.

I hope, as I know you do, that Columbus Day will soon be observed across the Nation as a public holiday.

Actually, however, our debt to Christopher Columbus cannot be fully repaid by declaring a holiday or erecting a memorial.

The discovery made by Columbus presented mankind with a challenge for a better life.

We pay best tribute to him and to the many contributions of Italian-Americans by striving to retain his vision and courage and to live up to his challenge.

THE ROLE OF COLUMBUS

There is a good deal of irony in the fact that the Yale University publication of a pre-Columbian map showing the new world (in much abbreviated form), with a tribute to the explorations of Bjarni and Leif Ericson, should have been announced on the eve of Columbus Day.

For while it has long been undisputed that Norse seamen had preceded Columbus across the Atlantic, very little was known about the effect of this upon the intellectual climate of Europe—whether, that is, geographers and navigators and merchants were predisposed

by the Norse expeditions to accept that of Columbus as something less than a venture into the completely unknown. The existence of a map drawn in Switzerland, perhaps 50 years before the *Nina*, the *Pinta* and the *Santa Maria* set sail from Palos, showing a large island beyond Greenland, is at least an indication that the Vikings had left some impress upon European consciousness.

The Yale map, therefore, which is of uncertain provenance but has impressive testimonials to its authenticity, is certain to stir new researches into the efforts of the largely nameless voyagers who may have followed Leif Ericson, fished on the Newfoundland banks and possibly explored the edges of the main—and told their tales along the waterfront of Europe's 15th-century ports.

But while this search may turn up useful materials for the history of Europe's great explosion across the seas, and may produce stories of detection as fascinating as that by which the Yale map was found and authenticated, it is hardly likely that anything will be uncovered that would seriously impair the greatness of Christopher Columbus and his achievement.

For even if Columbus had known of the Basel map—had, in fact, a copy of it—the little patch of Vinland in "the most distant remaining parts of the western ocean sea" would have had little bearing upon his attempt to reach the Indies by sailing westward. And what is more important, the Viking forays left America in obscurity; the voyages of Columbus turned the full light of European interest and acquisitiveness upon the Western Hemisphere.

There is high drama in the saga of those intrepid Norsemen in their high-prowed little ships, reaching ever westward across the stormy North Atlantic; drama, too, in the as yet unsung journeys of those who may have followed them. But it was Columbus who changed the history of the world by his courage and determination, and it is Columbus who best deserves the day we celebrate in his honor.

SENATOR MANSFIELD'S CONTRIBUTION TO U.S. POLICY ON VIETNAM

Mr. CHURCH. Mr. President, no Member of the U.S. Senate has had a more constructive influence on the evolution of U.S. policy in Vietnam than has the distinguished majority leader, Senator MANSFIELD, of Montana.

Much editorial comment favorable to Senator MANSFIELD's statements on Vietnam has appeared in American newspapers. Representative of such comment is an editorial which appeared in the September 16 issue of the Rexburg Journal, which is published by John Porter. I ask unanimous consent to have this editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Rexburg (Idaho) Journal, Sept. 16, 1965]

NUDGE TOWARD TALKS

Though Senate Majority Leader MANSFIELD has not always publicly agreed with administration policy in Vietnam, his recent address on the subject offers perhaps the clearest and most concise summation of that policy yet heard. His speech was entitled, "Vietnam: Narrowing the Issues." Its main usefulness lies in this—that MANSFIELD has intensified the focus on America's aims in the Vietnam conflict.

The majority leader did more than this. The whole tenor of what he said was also a reiteration of our Government's willingness to negotiate for peace without demanding

any restrictive preconditions. There is reason to hope that this renewed emphasis on peace talks, evidently made with President Johnson's blessing, may help to nudge the situation off dead center where it now rests.

Senator MANSFIELD rightly said, without seeking to commit the United States to final agreement, that there is at least a basis for discussion in the frequently stated views of Moscow and Peking—that Vietnam should continue to be split into two zones, and that all foreign military presence should be withdrawn. There is nothing objectionable in such conditions, as long as the people of South Vietnam are assured the right to choose their own government without coercion.

This is one of three conditions MANSFIELD regards as basic. Another is that there could be either an independent South Vietnam or a unified Vietnam, if either kind of setup is based on free elections in accord with the Geneva agreements. The third condition, as MANSFIELD sees it, is that all foreign forces and bases should be withdrawn when peace—with guarantees of non-interference—has been achieved.

Excessive optimism is certainly not justified. But MANSFIELD's summation, along with diplomatic efforts behind the scenes, may have brought us nearer to peace.

THE STEALING OF HOUSEHOLD PETS FOR RESEARCH WORK

Mr. McGEE. Mr. President, a vicious black market, operating in the supply of pets for research work, is in operation across our land. It is a scandal which cannot be overlooked because it brings heartbreak to the owners of pets spirited away and results, too, in the most callous type of cruelty to dumb animals.

The scandal, Mr. President, is compounded because this racket—and that is what it is—has grown up around the need for animals in conducting research which is meant for the benefit of mankind. It is true, also, that such research is greatly supported by public money, a fact which means that these dognappers are operating, in a sense under subsidy from the Government.

Parade magazine, in its issue of Sunday, October 10, exposed these rustlers for what they are. I ask unanimous consent that the article from Parade be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANIMAL LOVERS: BEWARE THE PET THIEVES

WASHINGTON, D.C.—Rustlers as vicious as any who ever roamed the Old West are preying on the Nation's pets. Organized dog- and cat-napping rings are stealing animals all over the United States and selling them to hospitals and research institutions. They are making millions by bringing heartbreak to children and elderly and lonely people as well. These pet smugglers are also guilty of the most callous cruelty to animals imaginable.

A Congressional committee recently heard one dog-and-cat farm in Pennsylvania, described as an animal "Dachau," as horrifying as the notorious Nazi gas-chamber camp. Investigators found 700 dogs jammed into a dozen 10-foot-square pens. One pen contained more than 70 dogs, so closely packed they couldn't even wag their tails for their rescuers. Some 400 cats were crammed into stacked chicken crates. Dead and diseased animals lay among the living.

Worse, pet rustling is subsidized indirectly by the taxpayers. That is why, in recent years, it has blossomed from a penny ante

crime to its present astounding proportions. Originally, dogs and cats were stolen to be resold as pets or to be returned for the rewards. But the increasing use of animals in medical research has created a boom market, not only for strays but for any cats and dogs that can be delivered. Few questions are asked and fewer answered once a collar has been removed.

Last year laboratories and hospitals receiving Federal research grants spent between \$30 million and \$50 million on dogs and cats. More than 1.7 million dogs and 500,000 cats were sold to tax-supported institutions. One Federal agency alone, the Poolesville, Md., Animal Center of the National Institutes of Health, spends more than \$100,000 a year on dogs and cats.

With such money in the market, supply is bound to meet the demand. Result—wholesale pet smuggling has been reported in most of the 50 States.

IN GOOD FAITH

Most persons do not dispute the need for animals in medical research. Immense benefits in human health have come from such experiments. When laboratories buy animals for research, they do so in good faith. Many suppliers are also reputable breeders and brokers.

Yet investigators believe the overwhelming majority of the dogs and cats that wind up in medical tests are strayed or stolen pets. Once snatched, they are quickly whisked out of the State to make tracing more difficult. To further confuse the trail, they may change hands a number of times. Most transactions are in cash with no meaningful bills of sale. Identifying tags are immediately removed and destroyed.

Ultimately, the animals wind up at pet auctions. Sometimes dogs and cats are sold by the head, more often by the pound. The going rate is about 10 cents a pound. Puppies and kittens fetch as little as 10 cents apiece.

The rustlers have become increasingly brazen as their profits have zoomed and their smuggling networks have become more elaborate. One mother in Arlington, Va., watched a dognaper get out of his truck, stride boldly into her yard, snatch a pet right out of her small son's arms, then beat it down the highway. Bravely, she gave chase in her car and so harried the dognaper that he finally pulled up and released the puppy.

But the owners of most stolen dogs and cats never see their pets again. A 77-year-old lady in Utah watched helplessly as a dognaper enticed her pet out of her yard. A wheelchair patient last month phoned the New York Humane Association to report the loss of her dog. "Is there nothing you can do?" she pleaded. Elaine Beck, a Columbus, Ohio, dog trainer, recently wrote to the U.S. Humane Society—"We in Columbus are having such a wave of dognaping we are almost desperate."

The rustlers have many ruses. If the coast seems clear, they may simply grab pets off the streets or out of yards. Female dogs are used to entice male dogs into wire cages. Meat scraps and dog candy are also used as bait. A Jacksonville, Fla., rustler painted his truck to look official, complete with the lettering "animal shelter" on the sides. Then, posing as a dogcatcher, he used phony pretexts to take pets from their owners.

Some dealers go from door to door pleading for pets to make needy children happy. No child will ever see these animals; they will die on the operating table if they do not die from starvation and cruelty before they get there. A New York high school teacher, who rustled pets as a profitable sideline, trained his 6-year-old daughter to beg for cats, saying her parents needed them to catch mice on their farm.

KENNEL GIMMICK

Other rustlers operate behind the front of kennel keepers. They advertise, offering to

board pets while their owners are away. The hapless owners, upon their return, are told with many regrets that their pet became unmanageable and escaped, or had to be destroyed as an act of mercy after contracting virulent distemper.

Many successful pet peddlers, with money to bribe, have persuaded keepers of dog pounds, animal shelters, and even humane societies to sell them pets under the counter.

One dog dealer, who tried to bribe Frank Whelan, superintendent of the Freeport, N.Y. Animal Shelter, claimed two other Long Island animal shelters were smuggling dogs to him. One had used the bribe money to pay for an addition to his house, the other to build a swimming pool.

But in Whelan, the dog dealer picked the wrong man. Not only was Whelan aware of the cruelty in the illegal pet traffic, but only a few days earlier, a collie from the shelter, Shep, had romped Whelan and his wife in time to pick up their 5-year-old son and escape from their burning apartment building. Shep led them to safety. Pretending to go along with the dealer, Whelan helped to convict him on a charge of commercial bribery.

A veteran Connecticut State detective, who broke up a dognaping ring and recovered a number of stolen pets, declared tersely, "I've worked on every kind of larceny, but dognaping is about the meanest. It's tough for parent to tell a 4-year-old that his dog has been taken."

Can the vicious pet rustling racket, with all its animal and human cruelty, be curbed? And can this be done without depriving medical science of much-needed research animals? A current bill would require all dealers to be licensed and inspected for humane conditions. The Agriculture Department would also set standards for transportation, as it does for other livestock. Dealers would be required to house each animal for 5 days, which, coupled with strict provisions for recording the description and origin of each animal, would at least help owners to recover pets that have disappeared.

A dog is a man's best friend, but there are times when a dog needs a friend.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

REPEAL OF SECTION 14(b) OF THE NATIONAL LABOR RELATIONS ACT, AS AMENDED

The PRESIDING OFFICER. The Chair lays before the Senate the pending question.

The Senate resumed the consideration of the motion of the Senator from Montana [Mr. MANSFIELD] that the Senate proceed to the consideration of the bill (H.R. 77) to repeal section 14(b) of the National Labor Relations Act, as amended, and section 703(b) of the Labor-Management Reporting Act of 1959 and to amend the first proviso of section 8(a) (3) of the National Labor Relations Act, as amended.

FOOD AND AGRICULTURE ACT OF 1965—CONFERENCE REPORT

Mr. ELLENDER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign

trade, to afford greater economic opportunity in rural areas, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. HARRIS in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of October 6, 1965, pp. 25206-25215, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield, without losing his right to the floor?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I do not recall any farm bill ever considered by the Senate that received longer and closer attention than the bill now before the Senate. Hearings were held on the Senate side for 3 weeks and on the House side for many more weeks than the three I have just mentioned. When the Senate committee completed its hearings, the committee held executive sessions for 9 successive days until we hammered out the bill that was presented to the Senate last month.

After the passage of the bill by the Senate last month, a conference was had with the House. The Senate and House conferees sat for 9 days, morning and afternoon, in attempting to reach agreement, which we did.

Mr. President, I highly compliment the Senators who joined me in the conference with the House. We had quite a few battles. However, at the end of 9 days, we hammered out what I consider to be a fair, comprehensive, and most flexible piece of legislation.

Mr. President, I pay my respects to the two gentlemen sitting to my left—Harker Stanton, who is the counsel on the committee and has been for quite some time; and Henry Casso, our economist.

In my opinion both these men have greatly distinguished themselves before the conference, particularly in the explanation of the bill and its implications.

I spent many hours with these two gentlemen in trying to grasp every facet of the bill. As we all know, the bill dealt with five commodities. I believed that it was necessary for me, as chairman of the committee, to become well acquainted with all the provisions of the bill.

Mr. President, I have a written statement which I shall read into the Record. The statement indicates, to a large degree, what the conference finally did.

Mr. YOUNG of North Dakota. Mr. President, would the Senator prefer to yield now or later? I have three or four questions to ask.

Mr. ELLENDER. Mr. President, I should prefer that the Senator wait until later. Does the Senator wish to discuss wheat?

Mr. YOUNG of North Dakota. The Senator is correct.

Mr. ELLENDER. Mr. President, I shall discuss that subject shortly, and when I reach that point, I shall be glad to yield.

Mr. YOUNG of North Dakota. Very well.

Mr. ELLENDER. Mr. President, this legislation represents a great step forward in our continuing struggle to provide for orderly production and marketing of agricultural commodities and to produce adequate but not excessive supplies for the protection of both the consumer and the farmer.

Since 1933 we have provided for so-called action programs designed to adjust production to demand, and do away with the excessive overproduction that drives farm prices down, as well as with underproduction which brings high prices and hardships to consumers. I have participated in the agricultural legislation enacted during most of this period, and I think we have been steadily moving forward to meet our objectives. Technology and marketing methods have changed greatly during this period, making our legislative task more difficult.

That abundance should be a serious problem in this world seems ironic. But U.S. farmers would not be able to survive economically without a bulwark against the staggering impact of surplus production on their incomes. The Congress has a solemn responsibility to provide the protection and assistance agriculture must have, not only in the interest of the farmer but of all our citizens and even of the whole world.

Consumers and others should not take lightly the importance to their own well-being of a sound and healthy agriculture. Abundance to consumers has meant an unlimited supply of food and fiber. As a result, the low-cost of food to American consumers in relation to income is not duplicated in any other nation in the world.

In opening the debate in the Senate on farm legislation several weeks ago, I reviewed many aspects of the importance of agriculture in our economy. I shall dispense with the details today but I do wish to point out that many of us do not fully appreciate the tremendous contribution of farmers to our high standard of living. Their willingness to produce even to their own economic disadvantage has kept our store shelves filled to the brim with reasonably priced food.

The dramatic success story of agriculture is all too frequently completely overshadowed by headlines and intemperate statements about farmers and their difficulties and trying problems. One of the most frequent targets is the high cost of Government farm programs. This, too, I discussed in considerable detail in my remarks when the debate began in early September and I shall not repeat. Doubtless farm programs are costly in terms of dollars and cents. But would anyone of us care to put a dollars-and-cents price on starvation or even on a

little starvation because of insufficient food supplies?

In addition to the abundance of food and fiber provided to consumers at home and abroad, agriculture contributes substantially to the well-being of our national economy. Farmers are truly good customers.

In recent years farmers have been spending about \$29 billion a year for goods and services needed to produce their crops and livestock, plus an additional \$15 billion a year for the same things that city people buy, such as food, clothing, drugs, furniture, household appliances, and other products and services.

For example, each year farmers spend over \$3 billion for new farm tractors and other motor vehicles and machinery and equipment; about \$3.3 billion for fuel, lubricants, and maintenance of machinery and motor vehicles; and about \$1.6 billion for commercial fertilizer and lime. Agriculture uses more petroleum than any other single industry; enough rubber to provide tires on nearly 6 million automobiles; more electricity than the six New England States combined; and about 5 million tons of steel in the form of machinery, trucks, cars, fencing, and building material.

This Congress has a great opportunity to complete the enactment of legislation that will benefit everyone through the adoption of the conference report on the Food and Agriculture Act of 1965.

It will protect farm income.

It will give the Government the opportunity to take more positive steps toward eliminating costly farm surpluses.

It will put U.S. farmers on a firm competitive footing with foreign producers with little or no Government export subsidies.

It will assure U.S. consumers an adequate supply of food and fiber at fair and reasonable prices.

It will enable us to continue our unselfish sharing of abundance with those less fortunate at home and abroad.

It has much flexibility.

It is a 4-year program which will make possible more effective planning as a means of achieving our goals.

The pending measure rests on much of the legislation that has preceded it. It provides new tools that have been found necessary and modifies existing tools to make them work better. If used properly, with thought and imagination, and a minimum of politics, these tools should enable us to provide an orderly production and marketing system.

I have long advocated a mandatory control program for corn, with penalties for those who exceed the acreage necessary to provide an adequate supply. In 1937 when we held hearings that led to enactment of the Agricultural Adjustment Act of 1938, we had before us a picture of shortages caused by drought in 1934 and 1936, as well as a record crop in 1937, which threatened to bankrupt farmers. We passed a law providing for an ever-normal granary with marketing quotas on corn enforced through marketing penalties of 15 cents per bushel on the excess production. Following enactment of the 1938 law sup-

plies remained in line with demand, and quotas were not proclaimed until 1941. That quota was suspended because of the national emergency. In 1954 the authority for marketing quotas was repealed. This was a mistake. Thereafter our supplies grew to unmanageable proportions and our Government was forced at tremendous expense to buy its way out of this mistake. Since 1961 we have been gradually returning to the type of control we provided for in 1938, although not as rapidly as I thought we should. In fact, history has been repeating itself. Faced with problems much like those we had in the 30s, we moved step by step to meet them in the way we found most effective. In 1961, as in 1936, and in 1956, we provided for payments for diverting land from corn to soil-conserving crops. For 1963 we provided that 18 cents of the support price should be in the form of payments in kind, so that to this extent the protection or the price support umbrella would be removed from noncooperators. For 1964 and 1965 we provided the Secretary with full authority to make such part of the price support available in the form of payments in kind as he found desirable "to insure that the benefits of the price support and diversion programs inure primarily to those producers who cooperate in reducing their acreages." The legislation before us reiterates this, and then goes further to state that the loan level may be reduced below the loan level for 1965 by such amounts and in such stages as may be necessary to promote increased participation. Thus the bill points in the direction to be followed and gives the Secretary the authority needed for a more effective program. Some of the tools provided in the feed grain portion of the bill are:

First. Authority to promulgate acreage allotments as low as 50 percent of the base acreage.

Second. Authority to penalize violators by depriving them of diversion payments up to 50 percent of the support price—62½ cents per bushel under the current program.

Third. Authority further to penalize violators by loss of price support payments.

Fourth. Authority to bunch up payments on any part of the permitted acreage to remove any incentive for overproduction.

Fifth. Authority to reduce the support level, both loan and payment, to as little as 65 percent of parity—about \$1.03—or to increase it to as much as 90 percent of parity.

Sixth. Authority to hold market prices to the loan level through use of payment-in-kind certificates.

Seventh. Authority to encourage the production of soybeans instead of feed grains on the acreage allotment.

Eighth. Authority to encourage diversion of permitted feed grain acreage to wheat or vice versa.

Ninth. Authority to encourage long-term diversion under the cropland adjustment program from feed grains to recreation, or other use.

These are but some of the tools provided by the bill. They permit imposition of much greater penalties than the 15 cents a bushel we provided in 1938. The Secretary has many other tools in the legislation that has been passed since 1933. He has many able assistants here in Washington, as well as in the States, counties, and communities. The feed grain producers should work with him to the end that a truly effective program with a reasonable Government cost may be developed.

Obviously, all of us are not completely satisfied as to specific provisions, but let me assure you that all views have been considered and that this legislation has been carefully worked out and improved step by step to meet all valid objections. From our starting point last spring, it seemed as though any agreement would be impossible. Those working on the legislation through many months and long hours have hammered and fashioned out provisions that are effective and fair to all.

For example, because of the substantial disagreement early this year as to the proper type of program for cotton, that commodity was omitted from the draft bill submitted to the Congress by the administration. The cotton legislation that was worked out in the House provided protection primarily for the domestic cotton mills, but in so doing all but eliminated the protection given the farmer by previous Congresses both as to acreage and as to price. The 16 million acre minimum national allotment, and the 65 to 90 percent of parity price support range were preserved in name, but not in reality. Cooperators were limited to 85 percent of their allotments and received no assurance that they would receive anything for the 15 percent they were required to divert. Noncooperators who had allotments in 1965 could plant all they wanted without being subjected to marketing penalties. The marketing quota referendum was retained, but the only producers subject to marketing quotas were those few who had no allotment in 1965. While the language providing price support at 65 to 90 percent of parity was retained, it was applied not to the production of the acreage allotment, nor to the production of the 85 percent of the allotment that a cooperator was permitted to plant, but only to 65 percent of the allotment. Many improvements were made by the Senate Committee On Agriculture.

The Senate Committee on Agriculture studied the subject very carefully and although there was disagreement, finally approved a version sponsored by me.

During Senate debate, the Committee was not successful in persuading the Senate to adopt its recommendation. However, the plan finally adopted by the Senate contained some of the major recommendations of the committee—among other provisions, the small farm program contained in the committee version was retained. A guarantee of 65 to 90 percent of parity on a farmers entire allotment was also retained. The authority to exceed allotments was limited. Cooperators were permitted to plant a greater percentage of their allot-

ments. The minimum allotment and price support range were given some meaning, and cooperators were given price assurances on their entire allotments, as I have just indicated.

These provisions were further developed in conference and now provide substantial protection for our cotton farmers.

The 16 million acre minimum allotment and the 65 to 90 percent of parity price support range were preserved not only in name, but also as actual effective guarantee of farm income.

The acreage above the 16 million minimum that may be planted without penalty is limited to 250,000 acres in 1966, less in future years unless the carryover is reduced by at least 1 million bales each year.

Mr. President, I think this is a good compromise. It will be recalled that the Senate version provided for a 50 percent overplant of an allotment; but in conference, we struck from the bill the House provision which provided for an open end planting, and reduced that to a maximum of 250,000 acres.

Cooperators may plant at least 87½ percent of their allotments in 1966, more, at the discretion of the Secretary, in future years. On that part which the cooperator is not permitted to plant, the Secretary must make diversion payments available, and those payments must be not less than 25 percent of parity. On that part of his allotment which a cooperator is permitted to plant, price support must be made available through loans and price support payments at not less than 65 nor more than 90 percent of parity. These price support payments, while large enough to assure the farmer of 65 percent of parity on all his permitted acreage, will actually be made on the projected yield of the acreage planted within the farm domestic allotment. This means that a farmer planting less than his total permitted acreage will receive price support at above 65 percent of parity on the yield of such smaller acreage.

Thus, the effect of the minimum national allotment and the 65 to 90 percent of parity price support range are preserved in effect. A producer planting his full permitted acreage must receive at least 65 percent of parity on the acreage he plants, and at least 25 percent of parity on the part of his allotment he is required to divert. The Committee had testimony concerning a farmer in Fresno, Calif., who received a Ford Almanac Farm Efficiency Award for producing cotton at a cost of 18.1 cents per pound. If 28 cents represents 65 percent of parity it would appear that a farmer receiving a diversion payment of 10.5 cents—25 percent of parity—on that part of his allotment not permitted to be planted to cotton would be at least as well off as if he had received 65 percent of parity for planting cotton.

In addition to the price support and diversion payments described above, the producer and the Secretary are permitted to agree upon further diversion of acreage from cotton to conserving uses for payments not exceeding 40 percent of parity.

To emphasize and demonstrate the benefits under the conference agreement on cotton I will use an example of both a small and a large farm.

For the small farmer having an allotment of 10 acres or less, or on which the acreage allotment times the yield is 3,600 pounds or less, the blend price per pound would vary according to the amount of allotted acreage the farmer decided to divert. If this small farmer in 1966 elects to plant his full allotment his blended guaranteed return would amount to 30.8 cents per pound, composed of the price support payment of 21 cents per pound on 100 percent of the allotment; the price support payment of 9.42 cents per pound on the projected yield of the domestic allotment, and the diversion payment of 10.5 cents per pound on 35 percent of the allotment guaranteed notwithstanding the fact that he does not divert. On the other hand, if he elects to divert the maximum permissible 35 percent of the allotment and plant only his domestic allotment, his blend price would amount to 41.7 cents per pound, which is approximately 100 percent of parity. This would be composed of the price support loan of 21 cents per pound, the price support payment of 9.42 cents per pound on the projected yield of the domestic allotment; and double diversion payments totaling 21 cents per pound on 35 percent of the allotment.

The large cooperator who in 1966 reduces his acreage the minimum 12.5 percent required would receive a blend price of 29.5 cents per pound on the projected yield of his permitted acreage. This is composed of a price support loan of 21 cents per pound; price support payments of 9.42 cents per pound on the projected yield of the domestic allotment; and diversion payments of 10.5 cents per pound on the mandatory 12.5 percent acreage reduction. If this same farmer elects to comply with his domestic allotment, which is 65 percent of his effective allotment, his blend price would be 36.07 cents per pound or about 86 percent of parity. This is composed of the guaranteed 21-cent price support loan; the guaranteed price support payment of 9.42 cents per pound on the projected yield of the domestic allotment; the guaranteed 10.5 cents per pound on the projected yield of the mandatory diversion; and 10.5 cents per pound earned on the projected yield of the voluntary diversion. Thus the conference substitute provides the farmer with essentially the same income guarantees which have been developed through the years, while providing for such adjustments in cotton acreage as are required to bring supplies in line with demand.

Both the House and Senate versions and the conference substitute provide for a so-called one-price cotton program, under which the mills will obtain cotton at the world price. I was not in favor of that proposal last year, and I do not favor it this year. But, I express the hope that it will work. I believe it is incumbent upon the textile industry which sought to make it work. Domestic consumption has not increased as the industry said it would. Domestic consumer prices have not been reduced as proph-

esied. Exports have been curtailed. The bill provides the Department of Agriculture with the necessary flexibility that it and the industry have asked us to provide; and I think they should use this flexibility to increase consumption, reduce consumer prices and expand exports to the general benefit of the cotton economy.

The act's provisions would extend to cotton the basic principles of acreage diversion utilized for wheat and feed grains. This would enable farmers to reduce their cotton acreage without suffering a loss of net income. The lower production level in combination with increased exports and expanded domestic consumption would make substantial inroads in the cotton surplus.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield at that point?

The PRESIDING OFFICER (Mr. McIntyre in the chair). Does the Senator from Louisiana yield to the Senator from Montana?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. As the Senator knows, the bill is of great interest not only to the domestic cotton producer, but also to 11 countries in Latin America, all of which produce cotton and all of which may well be affected by the action taken by Congress.

These countries are Argentina, Brazil, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, and Peru.

Of these nations, Mexico is the most important in this respect and sells its cotton, I understand, at present, at approximately 24.7 cents. What would be the effect of the 21-cent price in this bill on the world price of 24.7 cents?

Mr. ELLENDER. Let me say that the purpose of the support loan is to prevent cotton prices from taking a drastic dip. Further, the loan level of 21 cents refers to Middling inch cotton. As a rule, the cotton produced in Mexico is long staple and therefore commands a premium price.

Mr. MANSFIELD. The Senator is correct.

Mr. ELLENDER. Personally, I do not believe that it would materially affect the 24.7-cent price to which the Senator has referred. All we are trying to do is to put the cotton producer of the United States in a fair competitive position with other world producers.

Mr. MANSFIELD. Will the Senator from Louisiana yield further?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. What would be the effect—

Mr. EASTLAND. If the Senator will permit me to interject—

Mr. MANSFIELD. If the Senator will allow me to follow through with this continuity—

Mr. EASTLAND. But I have something pertinent to the question asked by the Senator.

Mr. MANSFIELD. Go ahead.

Mr. ELLENDER. I yield to the Senator from Mississippi.

Mr. EASTLAND. Mr. President, what the 24.7 cent price would do would make

Mexico repeal its export tax on the farmers down there. The price is 21 cents and the tax is 3 cents.

Mr. ELLENDER. That is a matter for the Mexican Government to decide.

Mr. MANSFIELD. My second question is: What would be the effect, let us say, on the Mexican cotton economy in view of what has just been said? I believe it would be well to bear in mind that the balance of trade between the United States and Mexico is heavily in our favor, and that this is a factor worth considering.

Mr. ELLENDER. I agree thoroughly with the Senator from Montana. I repeat, cotton production in Mexico has been increasing for quite a few years. It is not the purpose of this bill, nor of the administration, to dump cotton we now have in surplus on the market and thereby break world prices.

I assure my good friend from Montana that the purpose is merely to provide a realistic method of competing in world markets so far as we are concerned.

Under the law the Secretary is not permitted, nor is it the intention of the Secretary, to use the huge surpluses we have in the Commodity Credit Corporation—we will have a carryover, in August of 1966, in excess of 15.6 million bales, and dump any portion of that cotton on the market at bargain basement prices. Cotton will be withdrawn from the Commodity Credit Corporation to make up for reduced U.S. production of cotton as a result of our acreage cutback under the bill. Cotton will be withdrawn from the Commodity Credit Corporation to supply our requirements, both domestically and for export. At no time, in my opinion, will the Secretary of Agriculture dump this cotton on the market indiscriminately. The bill provides that cotton will be sold by the Commodity Credit Corporation for unrestricted use at not less than 110 percent of the loan rate, except that the Commodity Credit Corporation can sell at market prices that amount of cotton by which estimated requirements exceed the production of upland cotton but in an orderly manner and so as not to affect market prices unduly.

Mr. AIKEN. Mr. President, if I may say a word at this point, the 21 cents a pound loan price is not intended to establish a world market price or even a selling price. The 21 cents would be the loan price to the producer, but he can take advantage of any higher price in the marketplace. The bill places the minimum resale price of regular Government stocks of cotton at 110 percent of the loan price. If you add carrying and handling charges, this will price most of our cotton inventory at 24.7 cents, which is approximately the world market price. It may vary a penny or two, but the loan price is not intended to establish the market price.

Mr. ELLENDER. This is really provided in order to prevent a crash in the market. Before 1964 the law provided for a support price of a certain percentage of parity and an export subsidy. In the past the Secretary of Agriculture announced the support price, and the export subsidy. Under those circum-

stances our competitors abroad had only to market their cotton at a quarter of a cent or a half a cent below that price and they got the markets, while we became the residual supplier of cotton.

Mr. AIKEN. We also must consider the fact that a good share of the cotton produced in Latin America is marketed by Americans.

Mr. ELLENDER. And produced by Americans.

Mr. AIKEN. And produced by Americans as well.

Mr. ELLENDER. I do not believe our friends abroad should be alarmed at this. All we are trying to do is let them know we expect realistic competition from them.

Mr. AIKEN. We are the ones who should be alarmed at any threat to cut the world market, because every cent it goes down it will cost the United States in the neighborhood of \$75 million.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TALMADGE. The bill will not play havoc with the world price of cotton, but rather it will enable the American farmers to compete abroad and domestically with synthetics and foreign-produced cotton. What has happened with our price support program in prior years is that cotton acreage in the United States has decreased from 42 to 16 million acres at the present time.

Mr. MANSFIELD. And will be decreased still further.

Mr. TALMADGE. And will be decreased still further. While we have been decreasing our acreage and production, foreign production has shot up astronomically.

Fifteen years ago we produced 53 percent of the world's market, or 15 million bales. All the remaining cotton-producing countries of the world produced only 12 million bales. We still produce the same 15 million bales, but the rest of the world has increased production to 36 million bales. So the effect of our high support loan was to hold an umbrella over prices for the entire world, compelling a reduction of acreage in the United States while encouraging increased production abroad. The new cotton program contained in this farm bill, with a loan level based on the world market, eliminates the iniquitous price umbrella system. This will enable producers to compete on the market, both at home and abroad, on a national and realistic basis. It will free the Government from the burdensome task of buying, selling, storing, shipping, and completely dominating cotton and the industry.

And most importantly, it will allow for greater flexibility in future production after the immediate surplus problems have been met.

The conference committee carefully and judiciously analyzed the matter of how increased U.S. exports might affect the foreign producers. There is a very clear, firm statement of policy and intent in the report of the conferees which directs the Secretary of Agriculture to

exercise care and caution to market our cotton so as not to break the world price.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. I am delighted and encouraged by what the distinguished Senator from Louisiana, chairman of the committee, has said, and what the distinguished senior Senator from Vermont [Mr. AIKEN], the ranking minority member of the committee and the distinguished Senator from Georgia [Mr. TALMADGE], have said. In their remarks and in some of their statements they have anticipated questions which I dictated this morning.

For example, one of the questions was: What, in effect, does the 21-cent price of cotton mean when other charges are piled on, at least insofar as it affects the American farmer?

The Senator from Vermont [Mr. AIKEN] answered that question.

Another question I intended to ask was that I noted on page 34 of the conference report that—

It is not the intention of the Congress that large quantities of CCC stocks be dumped on world markets at fire-sale prices.

The question I intended to ask was, Could the Senator amplify that statement and give us assurance that there will be no dumping which would in effect tend to drive the price of cotton down on a worldwide basis?

The answer to the question was that there would be no dumping.

Another question I had was, Has it been the practice in the past for Latin America and other cotton producing countries to shave U.S. prices, whatever they might be pegged at?

I gather, from what the distinguished chairman has said, that that does happen on occasion on a minute basis.

Mr. ELLENDER. It has always happened in the past 10 years under our price support program. They knew in advance that it would have this effect.

Mr. MANSFIELD. Another question: Is my understanding correct that this legislation will lower U.S. production and thereby introduce balance in both the U.S. market, and hence the world market, and very likely have a stabilizing effect?

Mr. ELLENDER. The Senator is correct. That is one of the main purposes of the bill. If cotton farmers cooperate with the Department of Agriculture, there is no question that we can reduce our surpluses. In other words, we are making it possible now for farmers to plant 65 percent of their allotted acres.

Mr. ELLENDER. It would be up to the farmers to work for the Department of Agriculture in the hope that the enormous surpluses that will face us in August of 1966, which will be 15.6 million bales, as I indicated a while ago, will be cut considerably.

Mr. MANSFIELD. Mr. President, will the Senator yield for two more questions?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. First, are world prices established on the basis of the U.S. position on cotton?

Mr. ELLENDER. I do not believe they are. Like any other commodity,

cotton is sold on the basis of world prices, on supply and demand, on quality, and things of that nature. It is no different than any other commodity.

The only thing that makes our foreign friends fret is the fact that we have so much of the commodity on hand.

Mr. MANSFIELD. Therefore, they are afraid of dumping?

Mr. ELLENDER. The Senator is correct. It is not the intention of the Department to do any such thing.

As pointed out, it would cost an enormous sum to the Government to try to dump, and get nothing for that cotton. All that cotton is there, and it has cost the Government a great deal of money by way of price supports.

Mr. MANSFIELD. The statement of the Senator coincides with the statement of the Senator from Vermont [Mr. AIKEN]. Each 1-cent drop costs the U.S. Government \$70 million.

Mr. ELLENDER. The Senator is correct.

Mr. MANSFIELD. It is not in our interest to have the price drop.

Is it the opinion of the Senator that the price of cotton will or will not drop by 3 cents as projected between interested countries of Latin America, merely because of U.S. legislation, or is world price affected by world supply and world demand and by price decisions of cotton-exporting countries as well?

Mr. ELLENDER. The world price is affected by world supply and demand as stated by the Senator in the latter half of his question. It is like any other commodity.

Mr. MANSFIELD. The first part would be incorrect. The second part would be correct?

Mr. ELLENDER. Yes. And we hope our foreign friends will not attempt to dump their own cotton on the market. It must be sold in an orderly manner.

Mr. MANSFIELD. There is no other country except our own which can do any dumping of an significance. It is not our intention to do so. Is that correct?

Mr. ELLENDER. The Senator is correct.

Although our foreign competitors have no surplus now, when their cotton comes on the market they should make every effort to sell it in an orderly fashion and not dump whatever they produce on the market.

That is one thing that may tend to break the market; not the things that we do, but the things that others will do.

Mr. MANSFIELD. If they have the assurance that we will not dump, on the basis of the limited production they have—they do not have a good deal—they could dump and it would not affect the market.

There may be a question as to why a Senator interested in title I, the dairy section, title II, the wool section, title III, the feed grain section, or title V, the wheat section, all of which I approve, has seen fit to comment on cotton and its relation in the bill to Latin America.

I do so because there is a foreign policy question in the bill before us, just as there will be an important foreign policy ques-

tion in the sugar bill when it comes over from the House of Representatives.

I believe we ought to recognize so far as this hemisphere is concerned—and I am speaking only of this hemisphere—that there is an interdependence between all the countries which inhabit this part of the world. So far as our own country is concerned, we have a heavy balance of trade in our favor and we have to recognize that when we take we ought to give something for it.

I am delighted, on the basis of this conference report and the statements of the able and qualified Senator from Louisiana, that this assurance is being given to Mexico and 10 other Latin American States which are interested in cotton. All those countries are good customers of ours, and all of them buy more from us than we sell to them.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. The bill, if enacted into law, will not greatly improve the world cotton situation unless we have the co-operation of other cotton-producing countries. As I understand the proposed legislation, what we are trying to do is increase the use of cotton greatly, not only in the United States, but throughout the rest of the world as well. If we do that, it will have the effect of reducing our present very large carryover and improve the market not only for the United States producer, but also for producers in other countries. That, as I understand, is the real purpose of the proposed legislation.

Mr. ELLENDER. The Senator is entirely correct. As I pointed out previously, we have provided the Secretary of Agriculture with ways and means of curtailing production in this country. It would seem to me that it would be to the advantage of the cotton growers of this country to look into the possibility of planting 65 percent of their allotted acres. If they did that, they would find that they would receive about as much net income on 65 percent of their acres as they do now. In doing that they would also be reducing the enormous surplus we have on hand.

It would seem to me that within the next 5 or 6 years we might be able to reduce the huge inventory we have by from 5 to 6 million bales.

Mr. AIKEN. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. AIKEN. In the event this program does not achieve the purpose for which it is intended, the time may come when we shall have to consider an international cotton agreement, along the same lines we now have on sugar, coffee, and wheat. If everyone does his part, the program will work so far as the world cotton market is concerned.

Mr. MANSFIELD. Mr. President, I wish to join other Senators in stating that, so far as the relationship between cotton and synthetics is concerned, cotton is by far the superior product. I hope that the Cotton Council and other groups interested in cotton will do more to propagandize their product, because they have a product which is very much

worthwhile. I believe it is being displaced by synthetics in part because of a lack of recognition on their part of the need for propagandizing the values of cotton, which are many, as anyone who has tried both can testify. Cotton is by far the superior product.

I was greatly interested in the proposal, made by the distinguished senior Senator from Vermont, the ranking Republican Member of the Senate, to the effect that consideration might well be given to calling a world conference on cotton, so that some consideration could be given to doing for it what is now being done for wheat, coffee, and other products. I am hopeful that the chairman of the committee and other members of the committee will give serious consideration to the proposal, to the end that it may be brought to the attention of the executive branch of the Government. On that basis some initiative might be taken by that branch of the Government.

Mr. ELLENDER. Mr. President, I appreciate the remarks that the majority leader has made, particularly with respect to the use of cotton.

If those who grow cotton and use cotton, the textile industry, the Cotton Council and others, were to spend 50 percent of what is now being spent to advertise synthetic goods, and show that cotton is far superior to synthetics, it would increase consumption substantially.

I express the hope to Senators who are connected in some way with the cotton textile mills that they will persuade their constituents to use as much cotton fiber as possible, because if they fail to keep the cotton farmer in business it may affect the economy of our country.

There is no doubt that if the users of cotton cooperate with the producers of cotton we can go far toward utilizing more of the fiber and thereby permit the growing of cotton again to become a healthy business.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. EASTLAND. I should like to make a statement relative to the international cotton agreement. If it is going to be handled by the Department of State, God help the cottongrowers of this country.

Now I should like to ask the Senator from Louisiana a question: Is not the purpose of the bill to have the cotton farmers of the United States reduce their acreage so as to hold world stocks in line?

Mr. ELLENDER. No. There is a provision that if farmers desire to cooperate, they must curtail their allotted acres by 12½ percent; but on those diverted acres they would receive a payment of 25 percent of parity. Then it would be optional with them whether to plant the 87½ percent remaining acreage. However, if they desire, they can plant as low as 65 percent of the allotted acres and obtain payment.

Mr. EASTLAND. That is correct; but if that is to be done, the surplus will be locked up and not sold, as has been intimated in this debate.

Mr. ELLENDER. No; the surplus will not be locked up.

Mr. EASTLAND. If that were to happen, the American farmer would bear the brunt of holding world stocks in line. Are we not going to use the surplus to regain our historic share of the international cotton market, as the law requires, without dumping?

Mr. ELLENDER. Yes. Under the bill, if production in 1966, let us say, is below our requirements by 2 million bales, cotton from the Commodity Credit Corporation can be sold in order to make up the 2 million bale deficiency between production and the amount sold abroad and used in this country. In addition, CCC stocks may be released in redemption of payment-in-kind certificates. And, of course, there is no restriction on the price at which CCC may sell for export. Section 203 of the 1965 act requires CCC to sell for export at competitive world prices.

Mr. EASTLAND. The law provides that the stocks of the Commodity Credit Corporation shall be used to regain and maintain our historic share of the world cotton market.

Mr. ELLENDER. That is the law. We hope that that will happen. I was attempting to explain to the Senator from Mississippi that by reducing production, we shall be able to draw cotton from the Commodity Credit Corporation to fill in the gap between production and our requirements for domestic use and for export.

Mr. EASTLAND. And to export more cotton than we have been exporting; is that not correct?

Mr. ELLENDER. Yes. I do not wish to alarm the Senator by saying that we hope the farmers of the country will reduce their acreage to 65 percent of their allotment. They may do that if they please. In my opinion, it would be to their advantage to do that so long as there is so large a surplus on hand.

What will happen? If we assume that our domestic and foreign consumption will aggregate, let us say, 15 million bales, and we produce only 13 million bales, under the law 2 million bales can be drawn from the Commodity Credit Corporation and sold at the market price. If there is a shortage of 3 million bales, that amount can be taken from the Commodity Credit Corporation and sold in order to meet domestic and foreign needs for that year.

Mr. EASTLAND. Fifteen million bales would be about the right figure. If production is 13 million bales, 2 million bales would come out of stocks.

Mr. ELLENDER. The Senator from Mississippi knows that under the law we have a one-price system, but that there is no limitation on the price at which the Corporation can sell for export. If we can find customers, we can sell all we have on hand.

Mr. EASTLAND. Production is being cut in this country, and it is being cut for the benefit of Latin America.

Mr. MANSFIELD. No; the Senator is in error. The Senator is raising a hobgoblin, and he knows it.

What does it cost either the CCC or the cooperatives to store a bale of cotton for a year?

Mr. ELLENDER. That depends on a number of factors. In some warehouses, it may be as much as 55 cents per month.

Mr. MANSFIELD. It is an interesting figure; I think it should be placed in the Record.

Mr. ELLENDER. It would be between \$5 and \$6 a bale for a year.

Mr. EASTLAND. Normally, it would cost the Commodity Credit Corporation 37 cents a bale.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TALMADGE. Figures supplied to me by the Department of Agriculture show that the cost of acquisition and retention of a bale of cotton in the Commodity Credit Corporation is \$25.15, or about 5 cents a pound.

Mr. MANSFIELD. A year?

Mr. TALMADGE. For 2 years.

Mr. MANSFIELD. For what length of time is a bale of cotton usually held?

Mr. ELLENDER. Is the Senator speaking of storage?

Mr. MANSFIELD. Of storage.

Mr. ELLENDER. The Senator from Georgia is including interest, insurance, and handling charges in his figure.

Mr. MANSFIELD. That is correct; everything.

Mr. ELLENDER. That is beyond storage.

Mr. MANSFIELD. That is correct. The figure includes interest and other fringe charges.

How long is a bale of cotton usually kept in storage? Two years? Four years?

Mr. TALMADGE. That depends upon the surplus, the grade, the demand, and a number of other circumstances. It would also depend upon the area where the cotton is grown.

I would estimate that the period averages, perhaps, 20 months in the Commodity Credit Corporation.

Mr. MANSFIELD. Just under 2 years?

Mr. TALMADGE. Yes.

Mr. MANSFIELD. Would the same be true of cooperatives?

Mr. TALMADGE. There would be no direct cost to the taxpayer in that case. We were attempting to develop a cost—

Mr. MANSFIELD. But it would be a 20-month cost?

Mr. TALMADGE. The cost of storage during a 20-month period is \$20.15. That includes the cost of acquisition, interest, handling charges, grade deterioration, and all other items connected with storage and handling.

Mr. MANSFIELD. I understand.

THE FEED GRAIN PROGRAM

Mr. ELLENDER. Mr. President, the feed grain program would continue on much the same basis as it has been with some modifications designed to increase its effectiveness at lower cost. As in the case of cotton, feed grain acreage may be held out of production with income-maintaining payments to farmers. Market price support would continue at around world price levels, with direct

payments to producers to bolster farm income. This pricing would provide the base for feed grain exports to move upward to new record levels without Government export payment assistance.

The reduction which has occurred in the feed grain surplus in the face of dramatically rising yields is most welcome, even though it has been extremely costly. On the other hand, the program over the past 4 years has made a substantial contribution to the higher farm income level which this year may reach \$13.5 billion for realized net income, the highest in more than a decade. One of the factors contributing to the high cost is the relatively low participation so that the acreage diversion efforts of program participants is partially nullified by others. My own personal belief is that a mandatory program would be more effective and less costly. My views have not prevailed and this is one of the areas of compromise. The act does have a provision that would enable the Secretary of Agriculture to increase the direct payment portion of price support as a means of encouraging higher participation through lower market prices. This provision, of course, must be used most judiciously in order to prevent an unwarranted expansion in livestock output through lower priced feed.

The wheat provisions of the conference substitute are essentially the same as those passed by the Senate, except that a new provision has been substituted for the Senate version assuring the producer of a blended support from all Government sources of \$1.90 per bushel for 4 years. The substitute provides that, for 1966, the support price for wheat accompanied by domestic marketing certificates must be 100 percent of parity, and price support for wheat not accompanied by marketing certificates shall not be less than \$1.25 per bushel. This should assure producers of a total support of \$1.84½ in 1966 if parity remains at \$2.57 per bushel. For 1967, 1968, and 1969 the substitute measure assures the producer of returns from Government support and payments equal to not less than the total support per bushel provided for 1966. This gives the wheat producer a minimum assurance that he can rely upon for all 4 years. Any additional returns that might be provided by the market on the basis of market needs for the particular quality of wheat produced, or on the basis of general market factors, would increase the producer's return above that assured by the Government.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Mr. President, the distinguished chairman of the Agriculture Committee explained very well the provisions of the bill dealing with the wheat section. However, there seems to be a certain amount of misinformation being printed in various farm letters and other publications. I wish to ask a few questions to pin down the provisions of the wheat section a little more firmly.

For 1966 and the 3 following years, the price support for wheat consumed

domestically for food is set at not less than 500 million bushels, and that would be at full parity.

Mr. ELLENDER. The Senator is correct.

Mr. YOUNG of North Dakota. For all other wheat the price support will be \$1.25 a bushel for 1966. According to the Department of Agriculture these two support levels would figure out at \$1.845 a bushel blended price support for 1966. However, if parity, which was \$2.57 a bushel, on June 30, 1965, should drop below that figure by June 30, 1966, the price support could then be a little lower.

Mr. ELLENDER. The Senator is correct.

Mr. YOUNG of North Dakota. If parity should increase above \$2.57, the price support for that portion consumed in the United States for human food would be increased.

Mr. ELLENDER. The Senator is correct.

Mr. YOUNG of North Dakota. The chances are that parity will increase since the costs of farm production are constantly increasing.

Mr. ELLENDER. The Senator is correct.

Mr. YOUNG of North Dakota. Parity on June 30, 1961, was \$2.37. On June 30, 1962, it was \$2.42. On June 30, 1963, it was \$2.51. On June 30, 1964, it was \$2.52. On June 30, 1965, parity was \$2.57 a bushel.

As the Senator stated, this would bring the blended price to \$1.845 a bushel, as estimated by the Department of Agriculture. Then not less than this level of the price support would be guaranteed for the future years of the program.

Mr. ELLENDER. The Senator is correct. Whatever price total support the farmers received in 1966 will be the minimum that they will receive for the years 1967, 1968, and 1969.

Mr. YOUNG of North Dakota. If the loan rate were lowered because the feed grain price support were lowered to which wheat price supports are tied, provision would then be made to pay wheat farmers for their mandatory acreage reduction for which no payment is made now.

Mr. ELLENDER. The Senator is correct.

Mr. YOUNG of North Dakota. If the allotted wheat acreage were to increase above 50 million acres, this mandatory provision for minimum supports would not be in effect.

Mr. ELLENDER. The Senator is correct.

Mr. YOUNG of North Dakota. The small farm allotments are not a part of the 47.5-million-acre allotments now in effect, and they would not be in the estimated 50-million-acre allotment.

Mr. ELLENDER. The Senator is correct. They would not be counted in the allotment for the purpose of determining whether this mandatory minimum support provision applied.

Mr. YOUNG of North Dakota. Is it not correct that, while not stated explicitly in this bill, it was the intent of the Senate-House conference committee to limit the authority to graze acreage diverted under the cotton, wheat, and

feed grain programs to disaster situations, and that authority for this would have to be granted by the Secretary?

Mr. ELLENDER. The Senator is correct.

Mr. YOUNG of North Dakota. I believe the Senator has answered all my questions.

I share the feeling of satisfaction of the Senator from Louisiana on finally approaching enactment of a farm bill. A few months ago it did not seem possible that we would have a farm bill. The farmers will now have a 4-year program to look forward to. They will know almost exactly the type of program they will have, so will be able to plan their operations much better.

I pay special tribute to the chairman of the committee and to the staff members for this accomplishment. If it had not been for the patience, ability, and endurance of the chairman of the Committee on Agriculture and Forestry, we would not have had a bill at all.

We have had the able assistance of one of the best staffs any committee has ever been blessed with.

Mr. ELLENDER. The Senator is very kind. I return the compliment to him.

The Senator from North Dakota was a member not only of the committee, but also of the conference. Except for his patience and diligence in working with us—as is also true of my good friend the senior Senator from Vermont [Mr. AIKEN]—we might not have had any bill at all.

We all had our hard times before the conference committee. There is no doubt that if we had not all maintained our patience we would have had no bill at all. However, with the full cooperation of the conferees and our knowledge of what we were trying to do, we succeeded, I believe, in hammering out a good bill. It will all depend on the administration of the measure.

We provided the Secretary of Agriculture with many tools in this bill. I am hopeful that he will use them. The Secretary will have ample opportunity to assist consumers and maintain farm prices at a fair level.

If the Secretary does not do this, we shall, of course, have an opportunity to criticize him and do something about his failure.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TALMADGE. Mr. President, I should not want to let this opportunity pass without paying tribute to the chairman of the committee and the manager of the conference report.

The distinguished senior Senator from Louisiana chaired hearings on this bill week after week, sometimes when he was virtually the only member of the committee present. Many of the other committee members were engaged in markup and executive sessions elsewhere.

As the Senator has pointed out, we sat for 9 long days in executive session in an effort to carefully mark up the bill so it would, in every way, be responsive to the needs of the various agriculture commodities. Then, when the measure went to conference, it involved

another 9 long days of the same arduous process. It is a complex bill. The viewpoints were rather different, although in the end result, we were able to resolve the most glaring divergencies.

As the chairman of the committee has pointed out, if we had not all kept our heads, we would likely have had considerable bitterness and perhaps no bill at all, had we not approached each dissimilarity in the spirit of fairness and compromise.

In paying tribute to the chairman, I wish to say that every conferee on the part of the Senate executed his duties seriously and diligently. Every conferee worked hard with the dedicated purpose of trying to draft the best bill possible while upholding the position of the Senate. They did this very effectively.

As the chairman of the committee has already pointed out, I do not think that any Senate committee has a more capable, more dedicated, more loyal, or more efficient staff. I refer to Harker T. Stanton, the committee counsel, and to Henry J. Casso, the economist. I have called on them time after time and they have always been most cooperative. If they did not have the information at hand, they always got it.

The other members of the staff, James M. Kendall, Cotys M. Mouser, and all the others have handled their duties in an exemplary manner. I am happy, indeed, to pay tribute to them.

Mr. ELLENDER. I thank the Senator on behalf of the staff. I know they are deserving of every word he has uttered.

The House bill provided that wheat accompanied by domestic certificates would be supported at parity, or as near thereto as the Secretary determines practicable, but in no event less than \$2.50 per bushel. This has created the impression in some quarters that the Secretary had a certain amount of discretion in fixing the support level between \$2.50 and full parity. The House conferees and the Department, however, explained that this was not the case. The \$2.50 minimum was intended as a floor in the event parity should drop below that figure. The language "as near thereto as the Secretary determines practicable" refers only to the problem of rounding to the nearest penny. The conferees felt that the support level should be full parity, neither more nor less than that, and so struck out the \$2.50 minimum provision. With the assurance that any problem of rounding that the Department might have could not affect the support level by as much as a penny a bushel, the conferees left in the language requiring the support to be "as near as practicable" to full parity. Actually the parity price is already a rounded figure, and since the percentage to be applied to it is 100, the support level should be 100 percent of parity without any additional rounding.

The loan level of \$1.25 for 1966 should be about the world value, so that wheat will be able to move freely into world markets with no Government subsidy. For 1967, 1968, and 1969 the Secretary is given complete authority to fix the loan value so that wheat will con-

tinue to move into export without any subsidy of any kind.

Farmers will receive part of their parity price for domestic consumption from domestic users and part from the Government. The conference substitute adopts the provision of the House bill which limits the cost of certificates to domestic processors for all 4 years to not more than the difference between the loan value and \$2 per bushel. On exports, variable certificates will be in effect and farmers would share in any net gain in total export returns over and above Government export payments.

The program would encourage production in line with needs and continue the improved supply-production relationship achieved during the past 5 years. Exports would continue at high levels, and hopefully a larger share would be sold for dollars.

The cropland adjustment provisions would supplement the commodity programs by providing more permanent retirement of cotton, wheat and feed grain acreage with less expenditure of funds. Substantial acreages could be taken out of cultivation under this program. It would be particularly attractive to those farmers who want to shift their farming operations but cannot under their present circumstances. It would also give older farmers who find it difficult, because of their age, to continue farming a chance to make a contribution to the surplus solution by retiring their land.

The assured return that farmers would obtain for long time retirement should enable them to take their acreage out of production at a lower cost to the Government. At the same time, their incomes would be maintained.

It would provide for shifting the land to other uses in recognition of our dynamic and changing land needs. These shifts could enhance our recreational opportunities. The act specifically would provide assistance in using the land taken out of production for hunting, trapping, fishing, and hiking. Our expanding urban populations have greater and greater need for more recreational areas. Conservation practices on these lands could contribute to the prevention of air and water pollution. However, I must emphasize that the major direction of this title would be aimed at less costly retirement of land from the production of surplus commodities.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I have a question relative to the cropland adjustment program. The Senator will recall that after considerable effort, he obtained the inclusion of land producing tame hay, alfalfa, or clover which had been planted within the past 5 years as cropland which might be retired. That 5-year provision was insisted upon by the House.

Then we find another provision applicable to the agreements entered into for the first year, 1966, which requires the producer to divert from production all of one or more crops designated by the Secretary.

As I understand, the Department of Agriculture already has interpreted such crops to mean crops in surplus, or price-supported crops, such as corn, wheat, barley, sorghum, cotton, peanuts, rice, and tobacco, which have acreage allotments or diversion programs.

Mr. ELLENDER. Any crop; that is correct, but the Secretary has indicated that he will attempt to obtain retirement of those crops with allotments or base acreages.

Mr. AIKEN. That requirement is for the year 1966. Then, as I understand, for the following 3 years, agreements entered into do not have the same requirement, unless the Secretary so decides; he can decide how much of what crop shall be retired, and as I understand, it could be any amount from zero to 100 percent.

Mr. ELLENDER. The Senator is correct.

Mr. AIKEN. Am I correct?

Mr. ELLENDER. That is correct.

Mr. AIKEN. I thank the Senator.

Mr. ELLENDER. It is left to his discretion.

While previous provisions basically reflect in large part the recommendations by the administration, the rice title reaffirms the current program and does not reflect the administration's recommendations for a certificate program. The conferees approved the Senate-passed version to extend to the rice producers the same income protection that cotton, feed grain, and wheat producers are afforded when their acreage is reduced. Rice producers increased their production to meet our increased needs for rice for export and for our foreign assistance programs. It is equitable that if their acreage should be reduced below the present 1.8 million acres, payments should be provided to offset the loss of income on the acreage taken out of rice. However, in no event could acreage be reduced below the present 1.6 million acreage minimum now in the law. The payment provisions would be similar to those for other commodity programs. Another provision would keep the support price relationships between the different varieties where they are presently. The price difference between long- and short-grain rice has been widening rapidly in recent years. This provision would prevent a greater spread than now prevails.

The dairy title would enable producers in the Federal milk marketing order areas to tailor their production to the amount needed for fluid milk consumption. Milk for this use commands a higher price. At present, this higher price and the lower price for milk used for other purposes such as butter, ice cream and nonfat dry milk, are blended together and the producer gets a price reflecting both uses. Under the base plan, he would be able to supply his share of the fluid market and get the higher price on what he produced. This would enable him to discontinue producing for the lower price use if he wished. To the extent that producers in the higher cost fluid areas would utilize this provision, Government surplus purchasing would be reduced.

The plan could go into effect only after approval by producers voting individually in a milk marketing order area.

The wool title continues the payment program on much the same basis as it now is authorized. In an effort to improve the income of sheep producers, the minimum level of price support would be increased. Currently, this increase would amount to about 3 cents per pound. The provision for an increase to small producers have been eliminated from the bill.

The miscellaneous title would—

Permit the Secretary of Agriculture to use acreage measurements or any other means to determine farm eligibility under a USDA program. The Secretary could thus provide for certification by the farmer of his compliance, saving the costs involved in measurement.

Set forth conditions for the sharing of acreage allotments, history acreages, and base acreages in reconstituting farms.

Provide for use of projected farm yields instead of normal yields for all commodities. The farmer would be permitted to prove his actual yields during the base period, and the projected yield could not be less than such actual yield.

Extend the provision authorizing the leasing of specified tobacco allotments.

Continue the exemption of boiled peanuts from the peanut definition for acreage allotment and marketing quota programs.

Authorize the Secretary of Agriculture in cooperation with the Congress to study the parity income position of farmers and report not later than June 30, 1966.

Permit transfer of acreage allotments or feed grain bases on public lands under certain conditions.

Authorize the Secretary of Agriculture to purchase dairy products from market supplies to fill needs of domestic and foreign donation and aid programs.

The eight titles of this act cover a broad spectrum of agriculture. The 4-year life of the proposed legislation fashioned out of many months of hearings and discussions offers an opportunity to execute a more orderly and better planned assault on farm problems than the 1- and 2-year programs of the past few years.

The success of these titles in achieving their goal of more stable agriculture will require more than the passage by Congress or good administration by the Department of Agriculture. Much responsibility rests with farmers, users of farm commodities, exporters and others who by their conduct will govern its success, part success or failure in the final analysis.

The Government with its program can do only so much to protect farmers from themselves. I can sympathize with individual farmers' desires to squeeze the maximum production out of his acreage. But when this added production contributes to a mounting surplus, the farmer is only doing himself economic harm in the long run. Further, when the practices leading to increased production also affect the quality of a commodity adversely as has been demonstrated in some instances, farmers will be losers.

Markets will have an opportunity to operate more freely than under past programs. But with this increased freedom goes the need to act responsibly and not indulge in practices that could lose or limit the new freedom.

As I pointed out earlier, the cotton textile industries have a grave responsibility now to live up to their predictions of the past, if this program would survive. But others who use farm commodities must tax their ingenuity to keep consumption of farm commodities growing and expanding, both in the interests of more people sharing in adequate diets and in the interests of keeping pace with expanding farm production.

Exporters would have an opportunity to move to higher levels of shipments under the world pricing provisions of this act. But, price alone is not enough, the importing countries must be supplied with high quality and uncontaminated commodities suited to their needs.

The bill can open the door to a better and more prosperous agriculture, and I recommend that the Senate approve it.

Mr. President, I ask unanimous consent to insert at this point in the RECORD a summary of the principal provisions of the act.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF PRINCIPAL PROVISIONS OF FOOD AND AGRICULTURE ACT OF 1965

TITLE I—DAIRY

Milk marketing orders: The act amends the Agricultural Marketing Agreement Act to provide authority to incorporate in milk marketing orders a so-called class I base plan under which the producers under an order can be allocated their proportionate share of the class I fluid milk marketing on the basis of their marketings in the marketing area during a prior representative period. Producers receiving such a base would be assured that for the amount of milk marketed within their base representing their share of the class I market they would receive payment on the basis of such high value use. On milk which they marketed in excess of their base they would receive only the manufacturing milk price (lowest value use). New producers under an order could only acquire a base by allocation from any overall increase in class I fluid milk consumption in the market or from abandoned bases, or by acquiring a base through transfer from a base holding producer. This plan where adopted would guarantee the producer having a base that he could receive the highest value use price for his base milk while reducing his total production. This authority is permissive and the provisions authorized by this act can only be adopted for a marketing area when separately approved in a referendum by individual producer votes.

In order to protect other markets from being unfairly adversely affected by producers under an order containing a class I base plan getting the advantage of the highest value return for their base milk and then diverting their over base milk to other outlets, authority is provided for providing in connection with a class I base plan for the reduction of payments to be received by such producers under the order to compensate for such diverted marketings and assure equitable participation in marketings (sec. 101).

Title I further amends the act with respect to the issuance of marketing orders limited in application to milk used for manufacturing. For such an order the pricing stand-

ards now provided for milk orders on a marketing area basis are to be effective on a production area basis (sec. 102).

It is specifically provided that the legal status of producer-handlers will not be changed by the provisions of this act (sec. 104).

The provisions of this title will automatically terminate December 31, 1969 (sec. 103).

TITLE II—WOOL

Extension of Wool Act: The Wool Act is extended until December 31, 1969, and the support level for shorn wool is fixed at the present level of 62 cents per pound increased by the same percentage as the increase in the parity index (sec. 201).

TITLE III—FEED GRAINS

The present voluntary feed grain program with minor changes would be extended for 4 years—1966 through 1969.

Price support: Price support for corn shall be between 65 and 90 percent of parity and at comparable levels for the other feed grains. A portion of the price support for any feed grain included in the acreage diversion program will be in the form of a payment in kind. That portion of the support price made available through loans could be reduced below the 1965 loan level gradually to promote increased participation in the diversion program but so as not to disrupt the feed grain and livestock economy (sec. 301).

Acreage diversion program: The act provides for a feed grain acreage diversion program for the 1966 through the 1969 crops of feed grains similar to the program presently in effect. Payments will be made for diverting feed grains at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted not in excess of 50 percent of the estimated basic county support rate. The feed grain diversion program will include corn, grain sorghums, and, if designated by the Secretary, barley. (Malting barley may be exempted by the Secretary.) Oats and rye (and barley if not otherwise specifically included) may also be included by a producer who so requests in order to utilize such acreages for the purpose of substituting wheat and feed grains. The provisions of law permitting the substitution of wheat and feed grains are continued in effect (sec. 302).

TITLE IV—COTTON

The act provides a 4-year program for cotton—1966 through 1969.

Price support: (1) The act continues cotton allotments at the 16-million-acre minimum national allotment level; but in order to be eligible for price support, producers, except those on small farms, must reduce their acreage of cotton below their allotment by 12½ percent in 1966 and by such amount not to exceed 12½ percent as the Secretary prescribes for the 1967 through the 1969 crops. Producers on small farms (farms on which the acreage allotment is 10 acres or less or on which the normal production on the acreage allotment is 3,600 pounds or less) do not have to reduce their acreage below their allotment in order to qualify for price support (sec. 402(b)).

(2) Loans to cooperators will be made at not more than 90 percent of the estimated world market price for cotton (21 cents in 1966) (sec. 402(a)).

(3) Additional price support will be made available to cooperators in the form of direct payments of not less than 9 cents per pound on the cotton planted within the farm domestic allotment (a domestic allotment is to be established for the farm of not less than 65 percent of the farm acreage allotment representing the producer's share of the cotton used for domestic consumption). This payment when added to the loan rate, however, must be sufficient to reflect at least 65 percent of parity to producers on the

estimated yield of the acreage permitted to be planted by cooperators. In order to be eligible for price support payments, the producer must also participate in the diversion program (sec. 402(a)).

Diversion payments: For reducing their acreage of cotton by the amount necessary to qualify as cooperators, producers will receive diversion payments at a rate of not less than 25 percent of the parity price on the estimated yield of the acreage diverted. In the case of small farms, the producer will receive a diversion payment at this rate on the estimated yield of an acreage equal to 35 percent of the farm acreage allotment without actually diverting such acreage. The Secretary may permit small producers to reduce their cotton acreage, and other producers to reduce their cotton acreage further, but not below the domestic farm allotment, in which case the producer will receive diversion payments at such rate as the Secretary determines but not more than 40 percent of the parity price. Price support payments and diversion payments are conditioned on the farm devoting to conservation uses the acreage diverted from cotton, in addition to the acreage normally devoted to conservation uses. Provision is included for protecting the interests of tenants and sharecroppers, including sharing the payments on a fair and equitable basis (sec. 402(a)).

Minimum CCC sales price: The act provides that for the period August 1, 1966, through July 31, 1970, CCC shall sell upland cotton for unrestricted use at the same price as it sells cotton for export, in no event, however, at less than 110 percent of the loan rate, and that CCC shall make available for unrestricted use at current market prices a quantity of cotton equal to the amount by which the production is less than the estimated requirements for domestic use and for export in-kind certificates issued to cover price support and diversion payments could be redeemed by CCC for cotton at a value per pound equal to not less than the current loan rate. In-kind certificates issued under the 1964 and 1965 programs are not subject to these restrictions (sec. 404).

Export market acreage: Producers with allotments may at their election forgo price supports or payments, and plant cotton in excess of their allotment to the extent of the acreage allocated to them for this purpose and may sell it into export without paying marketing quota penalties. However, the total acreage which may be allocated to producers for this purpose is limited to 250,000 acres for 1966, and this amount will be reduced in 1967, 1968 and 1969 unless there is a specified reduction in the national carry-over of cotton (sec. 401, amdt. (2)).

Sale or lease of allotments: The sale or lease of cotton acreage allotment between farmers is authorized, subject to certain restrictions, within a county, or in other countries of the same State if farmers within the county approve in a referendum the transfer of allotments to purchasers in other counties (sec. 405).

TITLE V—WHEAT

The present wheat program would be extended for 4 years—1966 through 1969—with certain changes.

Wheat marketing certificates: The wheat marketing certificate program would be similar to the one presently in effect, with the following changes:

(a) Producers would be assured 100 percent of parity or as near thereto as the Secretary determines to be practicable for the domestic allocation of wheat (i.e., the wheat used for human consumption in the United States). For 1966, producers would be assured full parity for the domestic share (sec. 506).

(b) Producers will be eligible for loans on the rest of the wheat planted within their

allotment at a level based on competitive world prices of wheat and the feeding value of wheat in relation to feed grains. For 1966, producers would be assured not less than \$1.25 (sec. 506).

(c) For any of the years 1967, 1968 or 1969, in which a national acreage allotment is established which requires producers to divert 10 percent or more from the 1959-60 base, the Secretary is required to assure producers a total average rate of return per bushel at least equal to the return assured for the 1966 crop. This may be accomplished, however, through a combination of loans, domestic certificates, export certificates and diversion payments (sec. 506).

(d) Domestic wheat users will be able to purchase marketing certificates from Commodity Credit Corporation at the difference between the loan rate and \$2 a bushel on the amount of wheat used in the processing of food products (sec. 516).

(e) Domestic wheat users would not have to purchase marketing certificates to cover wheat used in the manufacture of "second clears" used for industrial purposes (sec. 504(b)).

(f) The Secretary is authorized also to exempt processors from purchasing marketing certificates on (i) wheat processed for use on the farm where grown, (ii) wheat processed for donation, and (iii) wheat grown by a State institution or other agency and processed for use by the State or agency (sec. 504(a)).

(g) Authority is provided for a variable export certificate to replace the present export certificate of a fixed value. Variable export certificates will be priced to exporters on a daily basis at the difference between prices on the domestic market and prices in the world market. The net proceeds from the sale of export market certificates, after deducting export subsidies paid to exporters, would be distributed to eligible producers on a pro rata basis (sec. 513).

Diversion program: The diversion program would be similar to the present program. Producers may divert an acreage of wheat, in addition to the acreage required to be diverted, not in excess of 50 percent of their allotment or sufficient acreage to bring the total diverted acreage on the farm to 25 acres whichever is greater. The rate of payment for diversion may not exceed 50 percent of the loan rate for wheat (sec. 501, amdt. (9)).

Computing allotments: A number of minor changes are made in the existing law to simplify the method for computing allotments effective beginning with the 1967 crop. Under the new method, State, county, and farm allotments will simply be computed on the basis of the preceding year's allotment, being raised or lowered, as the national acreage allotment is raised or lowered (sec. 501, amdt. (3) through (8)).

Substitution of wheat and feed grains: The provisions of law permitting substitution of wheat and feed grain acreages would continue in effect.

Minimum CCC sales price: The minimum price for sales of wheat from CCC stocks would be 105 percent of the loan rate, as under the program in effect for 1964 and 1965 (sec. 505, amdt. (3)).

TITLE VI—CROPLAND ADJUSTMENT

Cropland adjustment program: (1) The act authorizes a long-term cropland adjustment program under which the Secretary is authorized to enter into long-term agreements with farmers to assist farmers in turning their land to noncrop uses and promoting the development and conservation of soil, water, forest, wildlife, and recreational resources.

(2) Agreements may be entered into during the calendar years 1965 through 1969 for periods of not less than 5 or more than 10 years. Agreements entered into in each of

the next 4 fiscal years may not obligate more than \$225,000,000 per calendar year.

(3) The total acreage placed under agreement in any county or local community would be limited to a percentage of the total eligible acreage so as not to adversely affect the economy of the county. Agreements entered into under which 1966 is the first year of the agreement shall not provide for diverting from production upland cotton in any county in which the county committee determines that there should not be such diversion in 1966.

(4) Agreements cannot be entered into covering land with respect to which the ownership has changed in the 3-year period preceding the first year of the agreement unless the new ownership was acquired by will or succession as a result of the death of the previous owner or was acquired prior to January 1, 1965, under circumstances which the Secretary specifies by regulation will give adequate assurance that such land was not acquired for the purpose of placing it in the program.

(5) Producers would be required to carry out a conservation practice on a specifically designated acreage of land on the farm not regularly used in the production of crops and to maintain the practice for the duration of the agreement; not to harvest any crop from or graze the land except in cases of natural disaster; and to comply with such additional terms and conditions as the Secretary prescribes. Agreements entered into under which 1966 is the first year of the agreement shall require the producer to divert from production all of one or more surplus crops (after 1966 the Secretary would have discretion to set the required percentage).

(6) Payments under such agreements may not exceed 40 percent of the estimated value of the crops diverted. The rate or rates of the payment may be increased if the producer agrees to permit access by the general public for hunting, trapping, fishing, and hiking under cooperative agreement with State and local wildlife authorities.

(7) Provision is made for protecting the interests of tenants and sharecroppers including sharing on a fair and equitable basis in payments under the program.

Transfer of funds to other agencies: The act would permit the Secretary for the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses to transfer funds available for carrying out the program to any other Federal agency or to States or local governmental agencies for use in acquiring cropland provided he determines that the purposes of the cropland adjustment program would be accomplished by the action and provided the terms and conditions are consistent with and the cost no greater than those under cropland adjustment agreements with producers.

TITLE VII—MISCELLANEOUS

Checking compliance: The act authorizes the Secretary to use other methods in lieu of actual measurement in ascertaining the acreage of any commodity or land use (secs. 701, 702).

Lease and transfer of tobacco allotments: The act extends through 1969 the authority to lease and transfer tobacco allotments. In addition, it provides that when acreage-poundage quotas are in effect for any kind of tobacco (except burley, cigar-filler, and cigar-binder (types 42, 43, 44, 53, 54, and 55)) the lease or transfer is to be on a pound-for-pound basis (sec. 703).

Boiled peanuts: The act continues the exemption of boiled peanuts from marketing quotas through the 1969 crop.

Parity income studies: The Secretary is directed to make a study of the parity income position of farmers and to report the results to Congress by June 30, 1966 (sec. 705).

Transfer of allotments on public lands: The act authorizes the Secretary subject to certain conditions to transfer, upon request of a State agency, an allotment from any farm composed of State-owned public land to another farm composed of State-owned public land in the same county (sec. 706).

Reconstitution of farms: The act prescribes rules for dividing allotments when part of a farm is sold (sec. 707).

Use of projected yields: The act authorizes the Secretary to use projected yields in lieu of normal yields in the determination of farm yields. It provides that the projected yield may not be less than the actual yield proved by the producer (sec. 708).

Purchase of dairy products: The act authorizes CCC to purchase dairy products when there is not a sufficient supply of such products in its stocks to meet commitments for schools, domestic relief, and foreign distribution (sec. 709).

TITLE VIII—RICE

Price support: The act provides that for 1966 and 1967 the head and broken rice value factors for the various varieties of rice may not be reduced below those used for the 1965 crop and the differentials between the value factors for the various varieties cannot be increased (sec. 802).

Acreage diversion program: The act authorizes an acreage diversion program for rice for 1966, 1967, 1968, and 1969. The program is to be operative, however, only if the national acreage allotment for such year is reduced below the 1,818,638 national acreage allotment in effect for the 1965 crop. Such program would be similar to the diversion programs for other commodities. Payments would be made to producers who comply with their rice allotments, divert a specified acreage to an approved conservation use, and comply with requirements prescribed by the Secretary (sec. 801).

Mr. RUSSELL of South Carolina. Mr. President—

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The Senator from South Carolina is recognized.

Mr. RUSSELL of South Carolina. Mr. President, as a junior Member of the Senate, and also as a junior member of the Committee on Agriculture and Forestry, I have already expressed my commendation to the distinguished Senator from Louisiana in stating my very deep interest and concern with the enactment of the proposed legislation.

With the highest of admiration and commendation for the Senator from Louisiana, I do not believe that we would have had a farm bill if it had not been for the determination and patience of the Senator from Louisiana. I know that many provisions in the conference report were not to his liking but, apart from that, he was determined that the American farmer should have, this year, an omnibus farm bill. It is to him, more than to any other Senator, that we owe the conference report today. I also commend him and the other conferees of the Senate for what I believe to be an excellent conference report. It is a report which, in many respects—and in this connection I refer especially to the controversial cotton provisions—is an improvement over both House and Senate versions.

I particularly commend the Senator from Louisiana because I believe that he played a vital part in the fashioning of the provision of the conference report on the overplant of cotton.

It will be recalled that the House bill had almost an open end, so far as the overplant provision was concerned. The Senate attempted to provide a tightening in that provision, but I believe that the final version, as incorporated in the conference report, is far superior and makes much more precise the overplant provision which could, in a way, if unchecked, defeat the basic purpose of the cotton provisions of the conference report.

There was a provision in the original House bill adding two limitations; first, that the farmer exercising the overplant provision must have an allotment; second, if the farmer exercising it had more than one farm, he could not use the overplant provision on one farm and come in under the provisions of the act on the other farms.

But the conference has added precision by definitely fixing the limited number of acres that may qualify under the overplant provision. I recall that the provision contemplated that there should be no more than 250,000 acres. Again that figure, while fixed definitely for the crop year of 1966, is tied to succeeding years of the conference report.

Another condition of the cotton surplus assures, therefore, that the provision for the overplant may not be utilized to counter the purposes of the conference report; namely, to reduce the surplus of cotton in storage.

The overplant provision after 1966 will be reduced if there has not been a substantial reduction—as I understand the conference report—in the carryover of cotton in storage. It therefore fits in with the basic purpose of the conference report. I know from conversations which I have had with the Senator from Louisiana that most of the provisions, in this instance, derive from the Senator's ideas.

Therefore, I wish in particular to express my appreciation to him for what he has done in this regard, as well as for the many other contributions he has made to the proposed legislation.

I believe that this is a landmark in farm legislation, and has provided the American farmer with a period of time which will enable him to set up an orderly program and to demonstrate—I believe fairly—how American agriculture can progress.

In particular the cotton provision, as it maintains and preserves the one-price cotton system, will contribute to the progress, protection, and salvation of the American cotton farmer and the American cotton industry.

Reference was made by the distinguished chairman of the committee to the fact that, in a way, the American textile industry was on trial in connection with the legislation. I am sure the American textile industry, a large part of which is located in my State, will measure up to meeting the challenge.

A few days after the passage of the bill a distinguished and able leader of the industry, Mr. James P. Harrell, connected with the J. P. Stevens Co., in a public statement referred to the fact that the American textile industry was in the planning stage for the development of plants costing \$190 million—represent-

ing a substantial expansion in the textile industry of this country and in the consumption of cotton goods.

I believe, therefore, that this presages not only faith on the part of the industry, but also of the cotton farmer.

Before I conclude, I wish to pay a special tribute to one who I think made a great contribution to the cotton section of the bill, the distinguished junior Senator from Georgia [Mr. TALMADGE]. In that connection, it is only fair that I should incorporate in the RECORD a paragraph from a fine article which appeared in the September 18, 1965, issue of the London Economist, under the title "Farms Break Free." It comments on the Senate version of the cotton provisions of the bill before us. It pays a deserving tribute to the Senator from Georgia. I ask unanimous consent to have printed at this point in the RECORD that paragraph from the article which refers to the contribution of the Senator from Georgia in this field.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Whether political science purists like it or not, the committee system is crucial to the operation of Congress and committees are rarely overturned in a vote on the floor. But Senator TALMADGE, whose plan for cash subsidies for cotton had been rejected in the committee, of which he is a member, chose this moment to make what would ordinarily be a daring gamble. He rallied the Senators from New England with their still-remaining textile mills, all of whom wanted low cotton prices. He rallied his southern colleagues from the two Carolinas and Alabama, which grow cotton but also have even more textile mills than New England. He rallied the Californians, who grow cotton so efficiently that they want no Government controls or subsidies and are happy to live with low prices because they can sell both at home and abroad. He also argued his case brilliantly. In an unusual victory for sensible change, Mr. TALMADGE won last week by 62 votes to 24 on the floor of the Senate; for once the majestic Committee on Agriculture was beaten. Senator ELLENDER, the chairman, shook hands with the Georgian with good grace after the defeat was inevitable and the debate finished. The rest is just a matter of reconciling technical differences between the House and Senate bills on cotton and other crops.

Mr. RUSSELL of South Carolina. Mr. President, in connection with the colloquy that took place with reference to the purpose and effect of the cotton provisions of the bill, a colloquy in which the distinguished majority leader [Mr. MANSFIELD] participated, I particularly call the attention of the Senate to an analysis of the cotton provisions of the bill as made by the distinguished editors of the London Economist. This is their comment:

Cotton exchanges and cotton merchants will awake from their Government-induced slumber. Buyers in Liverpool will once again find American cotton competitive. For better or worse, Mexicans, Guatemalans, Turks, and Sudanese will no longer be able to sell their entire crop by shaving the price a half cent below the fixed American price (fixed even with an export subsidy), which up to now has left the Americans as mere residual suppliers. At home the textile mills will no longer receive a subsidy but they will get their cotton at the lowest price for 20 years.

None of this would amount to more than an interesting incident if it did not illustrate how determined the United States is to get and keep its share of world markets for farm products. Sales of maize are growing dramatically. Sales of wheat, which admittedly depend to a great degree on the hazards of weather abroad and on gifts under the food-for-peace program, are also doing extremely well, at least at present. In cotton, the American share of the world market has dropped from more than 40 percent at the end of the Second World War to probably less than 25 percent this year, but now it is a foregone conclusion that American cotton will again be a vigorous competitor. * * * The issue was decided by the transparent idiocy of the former policy, which kept American prices higher than the world price and allowed other countries with less efficient methods of production to reap the profit.

That is fair comment on the bill. An attempt is being made to enable the American farmer to sell at the world price and not to allow other countries with less efficient methods of production to reap the profit and steal the market from American farmers.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. RUSSELL of South Carolina. I yield.

Mr. EASTLAND. The distinguished junior Senator from South Carolina also played a crucial and important role in connection with this bill. He was influential both in the committee and in the Senate.

Does the Senator agree, with reference to the cotton surplus of 15 million bales, that it does not mean we are going to dump it on the marketplace? Dumping is one thing; competition is another thing. But the meaning of the bill is that we are going to compete actively in the markets of the world and use Commodity Credit Corporation stocks to do it.

Mr. RUSSELL of South Carolina. That is my understanding. That is the intention of the bill, as stated by the commentator in the very fine and able London publication.

In conclusion, let me commend the members of the conference for what I believe is a very fine conference report and one that will contribute a great deal to both the cotton farmers and the cotton industry.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. RUSSELL of South Carolina. I yield.

Mr. TALMADGE. First let me express my deep appreciation and gratitude to the distinguished junior Senator from South Carolina for his complimentary personal references. Second, let me say I have seen no new Member of the Senate, in the relatively brief period of time I have served in the Senate, who has applied himself more diligently and effectively to the task of being a U.S. Senator than the able junior Senator from South Carolina. We are fortunate indeed to have him on the Senate Agriculture and Forestry Committee.

His knowledge of all phases of agriculture is deep and intense. His knowledge of cotton in particular is of great value to the committee. He comes from

a State where cotton is a crop of major importance, not only to the farmers who produce cotton in South Carolina but to the textile mills in the State as well.

The textile mills in South Carolina employ more people than does any other industrial activity in the State. The same thing is true of Georgia.

The able Senator from South Carolina has done a magnificent job on this particular farm bill. I was pleased to have him as an associate. His work was highly effective. I commend him.

Mr. RUSSELL of South Carolina. I appreciate the remarks of the distinguished junior Senator from Georgia. No one has a better understanding of cotton than does the Senator from Georgia. Certainly, so far as the cotton provisions of the bill are concerned, they are largely his handiwork. I heartily commend him.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. RUSSELL of South Carolina. I yield.

Mr. MANSFIELD. I want to commend the distinguished Senator from South Carolina [Mr. RUSSELL] for the great work he has done as a member of the Committee on Agriculture and Forestry and for the outstanding work he has done as a Member of the U.S. Senate. No one has represented his State with more diligence, vigor, integrity, and industry than has the Senator from South Carolina [Mr. RUSSELL].

I want the RECORD to show that, as majority leader, I am indebted to him for the cooperation and understanding he has shown and also to the people of South Carolina for having him represent them here.

Mr. AIKEN. Having served with the Senator, the chairman of the Committee on Agriculture and Forestry for a long time, and under him as chairman for much of that time, I naturally have listened with considerable pride to the testimonials which have been given to him on the floor of the Senate today.

So far as I am concerned, I shall not repeat what I have said many times before. I believe I shall merely get a tape recording expressing my approval of the operation of our chairman and ask to have it played every time he handles an agriculture bill on the floor. That will save everybody time.

I agree with what has been said about him. He has brought out the best bill that it was possible to get. It is not a perfect bill. It will not be a cheap bill, as far as cost is concerned, but we hope it will help considerably in stabilizing and increasing the income of the agricultural producers of the United States.

Mr. President, I do not wish to take any more time. It appears to me that discussion on the bill is about finished.

The discussion by the House sets forth very ably the understanding in regard to the dairy title of the bill in which I am interested, since about 80 percent of the agricultural income of my State comes from dairying.

I agree with the interpretations which were placed in the RECORD when the House considered the conference report.

I ask to have printed in the RECORD a statement, which I have prepared, setting forth my understanding of the dairy provisions of the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DAIRY PROVISIONS OF THE CONFERENCE REPORT—STATEMENT BY SENATOR AIKEN

The conferees accepted the House version of the class I milk base plan under which the bases or quotas would be allocated to producers on the basis of their marketings of milk during a representative period selected by the Secretary. It was the understanding of the House Committee on Agriculture, the Secretary of Agriculture, the Senate Committee on Agriculture and Forestry, and the author of the Senate version that the language of the House bill would provide for allocation of bases only to producers who had a history of marketings within the milk marketing order area during the base period.

The House Committee on Agriculture, in its report on the bill (Rept. No. 631) on page 12, explains the provision as follows:

"The new clause (d) would provide authority to include quota or base provisions in Federal milk orders under which the higher values of the preferred sales under an order would be distributed only to those producers who supplied milk to the marketing area in the base period. Bases would be assigned to such producers based on their respective marketings in the base period. Milk marketed by a producer in excess of his allocation would not share in class I sales and the producer would receive only the surplus value of such excess regardless of its use. Producers not having such a base would not share in the class I sales of the market. They could, however, obtain a base if transfers of existing bases were authorized under the order or in the event of an increase in the total class I sales in the market or the abandonment of bases by other producers, such producers could be assigned a base representing part of such increase or abandoned bases."

Various Members of the House made clear their understanding of the House provision was the same as that of the House Committee. Mr. SMITH of California, in discussing the House rule for consideration of the farm bill, made the following statement on August 17, page 19933 of the CONGRESSIONAL RECORD:

"The dairymen's base plan seeks to reduce surplus milk production by removing the necessity for dairymen to maintain maximum production in order to preserve individual participation in the markets for milk. Title I would assign to each producer in a milk order area a fluid milk base, enabling him to receive a higher price for milk consumed in fluid form on a specified part of his production, in lieu of a price on total production for all purposes. This title was not part of the administration's original bill."

On August 18, Mr. OLSON of Minnesota expressed his concern over the House provisions restricting allocation of bases to producers marketing in the particular order area. I quote Mr. OLSON's remarks from page 20154 of the CONGRESSIONAL RECORD:

"The dairy title of the bill will grant a monopoly to the local fluid milk producers. It does this by authorizing provisions in orders which would allocate fluid milk sales to producers currently on the market, with such allocation based on the producers' production record which may cover more than a year. This means that all the high value market would be assigned to fluid milk producers and none of this market would be left to pay producers who are seeking to

enter the market and better their economic condition.

"Thus, present producers will be granted a right to these markets and other producers will be denied entry and the right to sell their milk to the best advantage.

"The only time a new producer can earn a base or quota, as this proposed legislation is drafted, is when fluid milk—class I—sales increase."

In the hearings on the bill before the Senate Agriculture Committee, Senator MONDALE, on July 15, 1965, queried Secretary Freeman on this point as follows:

"Senator MONDALE. * * * Would a class I base plan be administered to divide fluid milk sales among producers under the order at the time of the adoption of the plan or would new sources be permitted to come in freely?

"Secretary FREEMAN. I think new sources could be permitted to come in freely under the bill that has been before the Senate. I think they would not be permitted to come in freely under the bill that has passed the House.

"Senator MONDALE. Will new producers of outside milk be able to enter the market and receive its full class I value without first having to earn a base during some specified production period?

"Secretary FREEMAN. The answer is the same as to the previous question.

"Senator MONDALE. In other words, your understanding of the Senate version as we now see it is that outside milk could come in freely and earn a class I base and receive a class I price.

"Secretary FREEMAN. Yes, that is my understanding. Under the Senate bill, both new producers and those who have been in the milk business but not in a given market can come in and get a base in due course as well.

"Senator MONDALE. Now, can an outside milk producer ship class I milk into the milk market order area?

"Secretary FREEMAN. Under the Senate bill, yes.

"Senator MONDALE. And sell it in the first instance for class I price?

"Secretary FREEMAN. That is my understanding."

At no time during its consideration of the farm bill did the Senate committee develop any other interpretation of the House provisions.

The Senate version of the class I base plan was inserted as an amendment in the Senate by the Senator from Wisconsin, [Mr. PROXMIER]. In his presentation of the amendment, he noted the differences between his amendment and the dairy title of the House bill. I quote his explanation of the difference between the two versions with respect to entry of new producers under an order when quotas are in effect (p. 22674 of the CONGRESSIONAL RECORD for September 13):

"Mr. PROXMIER: * * * Here is how the amendment differs from the House dairy section—title I of the agriculture bill as it passed the House.

"First. With respect to the entry of new producers into the market, the House bill provides only that an increase in class I sales, or forfeited bases would be made available to new producers and hardship cases. My amendment safeguards free access to a milk marketing order by providing that producers who delivered milk, but not under the order, at the time the allotment provision becomes effective under an order, would receive allotments on the same basis as those who were at that time delivering under the order."

Mr. HOLLAND. Mr. President, since I expect to speak briefly in opposition to the conference report, I shall be glad to defer to any Senators who wish to speak in support of it. If any Senator wishes

to speak in support of the conference report, I yield to him.

Mr. YARBOROUGH. I thank the Senator from Florida. I believe the Senate owes a debt of gratitude to the conferees on the farm bill for the thorough and expeditious manner in which they handled this long and complex bill. They brought it through the conference and to the Senate in a minimum amount of time. I commend the distinguished chairman of the Committee on Agriculture and Forestry, the distinguished Senator from Louisiana [Mr. ELLENDER] for his leadership in steering the bill through the many pitfalls of a Senate-House conference.

My State has over 300,000 farm families. That is more than any State in the Union. It is the stronghold of the family-type farm.

There is a division of opinion in Texas on the conference report. Some of the communities in my State are opposed to certain sections, but they believe it is better than the law we have now.

I supported the committee version of the cotton title on the floor of the Senate. It was called the Ellender program, after the distinguished senior Senator from Louisiana. When the program of the distinguished Senator from Georgia [Mr. TALMADGE] was adopted, I thought that it was a much better plan than that contained in the House bill. I commend him for his work on it.

My State has 152,618 cotton farms contrasted with California which has 10,467. Last year the value of our cotton was \$566 million; in California it was less than one-half of that, \$295 million. California with 10,000 farm families raises \$295 million worth of cotton, and yet Texas, with 152,000 cotton farming families, raised \$566 million.

Texas is the stronghold of the small farm. We have 30,000 families, I believe, with less than 10 acres apiece. Naturally, with that diversity of interest it is impossible to write a cotton provision that would meet the approval of everyone.

We find objections in some quarters of the cotton-growing industry and cotton-producing industry of my State to the provisions of the bill. We are caught in a complex situation where we have been losing a foreign market.

After the invention of the cotton gin, cotton was the chief bulk export of America for more than 100 years. It was the greatest export of America and gave us our trade balance for more than 100 years.

There is some objection by the dairy interests to the dairy section of the bill.

Laying all of that aside and considering the difficulty that the committee had wrestling with the bill, I believe it is one of the most difficult bills that comes before Congress and the country. As a lawyer and as a former judge I see no matter that comes before Congress that is more complex than this legislation. I believe that the committee has done a good job and has tried to be fair to all concerned.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. EASTLAND. The Senator from Texas, of course, does not believe that foreign countries should write our farm policy on exports?

Mr. YARBOROUGH. I do not.

Mr. EASTLAND. Does the Senator agree with me that this surplus should not be locked up, but should be used to go into the export markets aggressively, and that we should export American cotton and capture those markets for the American farmer?

Mr. YARBOROUGH. I agree with the Senator from Mississippi. The fact that other nations compete with us and hold a share of the cotton market is no reason why we should lock in the cotton farmers of America merely because many nations are beginning to raise cotton, some with the encouragement of the Department of Agriculture.

Mr. EASTLAND. Does the Senator believe that we ought to write the tax laws, or subsidize the tax laws, which we are doing, such as the 3-cent export tax?

Mr. YARBOROUGH. Does the Senator mean that this country ought to pay for that?

Mr. EASTLAND. If we lock up the surpluses and refuse to sell it above the market plus export tax, are we not subsidizing an export tax?

Mr. YARBOROUGH. We have a large surplus of cotton and I believe we should aggressively market that surplus. Our loss of the world market is not due to American inefficiency.

Mr. EASTLAND. If we lock up the surplus and refuse to sell it above the market price plus export tax, we fix our export prices at that figure. Is that not really a subsidy of the Government?

Mr. YARBOROUGH. I have not studied the export tax laws of other cotton raising nations. I have studied the provisions of the bill.

Mr. EASTLAND. Assuming that what I say is correct, would we not be subsidizing those governments?

Mr. YARBOROUGH. That is a hypothetical question, which I am not prepared to answer at this time. However, I can categorically state to the Senator that I am not in favor of locking up our surpluses. I am not in favor of withdrawing from the competitive cotton market. I say that our farmers can produce cotton and hold their own in competition.

Mr. EASTLAND. Competition is one thing; dumping is another. What the Senator means is that he would aggressively enter the export market.

Mr. YARBOROUGH. Yes.

COTTON

The cotton section of the bill is of great importance to my State. Although the language of the bill is quite technical and complicated, the total price which the farmer receives for his cotton, commonly referred to as the blend price, can be broken down into three component parts.

First. A price support loan not to exceed 90 percent of the world price for Middling 1-inch upland cotton. This

loan is set at 21 cents per pound for the 1966 crop.

If the price of cotton rises above the loan level, the farmer can sell it on the open market, and pay off the loan. If the market price stays below the loan level, he can deliver his cotton to the Commodity Credit Corporation in lieu of paying off the loan.

Second. A price support payment of not less than 9 cents a pound. This is a direct payment to the farmer. For the 1966 crop the rate is set at 9.42 cents per pound.

Third. Diversion payments. In order to participate in the program at all, a farmer—except those under the small farm exemption—must retire at least 12½ percent of his effective allotment. He has an option of retiring an additional 22½ percent, for a total of 35 percent.

The rate of payment for the acreage required to be diverted shall be not less than 25 percent of the parity price. The rate of payment for the additional diverted acreage shall be not less than 40 percent of the parity price. For 1966 the farmer will receive 10½ cents per pound for the projected yield of the acreage diverted.

The sum of these three payments adds up to the total that the farmer receives for his cotton.

It is obvious that the cotton farmer has many options open to him. The pricing system is designed to discourage overproduction by providing a higher price per pound the more the farmer reduces his plantings. A farmer who reduces his acreage the minimum amount of 12½ percent will receive a blend price of 29½ cents per pound. If he reduces his acreage 25 percent the price per pound rises to 32.67 cents per pound. If the farmer reduced his acreage by the maximum 35 percent, his blend price will rise still further to 36.07 cents per pound.

Small farmers are exempted from diverting acreage in order to be able to participate in the program. For the purposes of this program a small farmer is one with 10 acres or less or a projected yield of 36,000 pounds or less. If he plants his full amount he receives 30.8 cents per pound. With a reduction of 25 percent his blend price rises to 37.5 cents a pound. If he diverts the full 35 percent he receives 41.7 cents per pound, almost 100 percent of parity.

The more acreage a farmer diverts, the higher the price he will receive per pound. This should encourage a reduction in the number of acres planted and hopefully, a reduction in our current surplus of cotton. At the same time, the program is designed to maintain the income of cotton farmers. As a member of the Agricultural Appropriations Subcommittee I shall be watching closely the results under this new program to be sure that the cotton farmers' income in fact does not suffer.

OTHER PROVISIONS OF THE BILL

The other sections of the bill are also of great importance to Texas, which ranks third in the Nation in cash receipts from farming, with a total of \$2,304 million in 1964.

The bill enacts a new dairy program designed to stabilize the production of milk.

The National Wool Act of 1954 is extended for 4 more years, with modifications to encourage increased wool production.

The present feed grains program of price-support loans, purchases, and payments is continued for 4 years, with minor modifications.

The wheat title should raise wheat farmers' incomes by about \$200 million per year. A minimum support price of \$1.84½ per bushel is established. The most important change is that the price of wheat used for domestic food consumption will be supported at 100 percent of parity, around \$2.57 per bushel.

The very important cropland adjustment title is expected to add 8 million acres per year to uses such as vegetative cover, water storage facilities, and other conservation purposes.

Finally, Mr. President, I would like to renew my plea, which I made on September 14, when this bill passed the Senate, that the Secretary of Agriculture initiate a study to determine how we in America can better utilize our enormous agricultural capabilities to alleviate hunger both at home and abroad. When many of our own people go to bed each night hungry, when most of the people of the world go to bed each night hungry, and when this great country of ours produces so much food that it has to devise ways to cut down on surplus production, then the signs are clear that we are suffering from myopic vision as far as our farm programs are concerned. We must end this shortsightedness and design our farm programs so that they will serve the needs of our whole society.

Mr. HOLLAND. Mr. President, unless other Senators wish to speak in support of the conference report, I shall make my brief remarks in opposition to it now.

Before I begin my brief remarks I should like to say that no one could speak too highly about our distinguished chairman and the other conferees on the part of the Senate, excluding, of course, the present speaker. I have never seen a more cooperative conference.

I have never seen finer leadership than that which was shown by the distinguished Senator from Louisiana [Mr. ELLENDER].

His able remarks in support of the conference report will serve as a text for many people throughout the Nation who will be trying to discover for themselves what this complicated measure may mean.

Since I signed the pending conference report as a Senate conferee, and since I intend to vote against its adoption by the Senate, I feel that I should make a brief statement of my position at this time.

The RECORD will show that I voted against the Senate bill at the time of its passage. Nevertheless, as a Member of the Senate conferees it was my clear duty to represent the Senate and to endeavor to work out a conference bill which would be as near as possible to the Senate action and would represent a tolerable compromise between the Senate version and

the House version. We all understand that there were many differences between the two bills.

The conference was a long one and a highly controversial one, though entirely free from personal animus of any kind on the part of all conferees. For 9 days the conferees worked on this task, and I truly feel that the conference version of the bill is an improvement over either the Senate bill or the House bill. It was in my opinion the best bill that the conferees were able to work out. Feeling that way, and after 9 days of cooperation with other conferees from both Houses, I signed the conference report to help get this final measure before both Houses for adoption. As a Senate conferee, I tried to represent the Senate.

When it comes to my vote on the conference bill on its merits I shall, of course, represent what I deem to be the convictions of the people whom I represent as well as my own convictions, and I am frank to say that I feel sure that a great majority of Floridians who are engaged in agriculture are strongly opposed to much that is included within this bill. I share that conviction and will therefore vote against this conference bill on final passage as an accurate expression of the convictions of my constituents and of myself.

Without attempting to outline all of the reasons why I oppose the bill, or to mention those provisions in the bill which I could and would gladly support if they stood alone, such as the wool program and the program for cropland adjustments, I wish to state for the RECORD five of the principal reasons which now impel me to oppose the conference bill and vote against it:

First. I think the bill is much too expensive. It is my belief that the bill will require the expenditure of more than \$4 billion in each of the 4 years covered by it. I think that friends of agriculture in the Senate, in the House, and in various agricultural groups who support the bill are contributing to the early demise of a meaningful agricultural program by making the bill so expensive.

Second. I strongly feel that the bill delegates too much discretion to the Secretary of Agriculture. No matter how well intentioned any Secretary of Agriculture may be, I do not feel that it is wise to give him such wide discretion in administering a program which carries with it the power of economic life or death to literally thousands of American citizens who are engaged in agricultural pursuits.

Third. I greatly deplore the fact that the bill takes the largest step yet taken by any Federal legislation in this field to adopt the so-called compensatory payment or production payment program which was the principal feature of the long ago discredited Brannan plan. This feature is made the essential part of the cotton price-support program. Once applied to a large basic commodity such as cotton, there will be an increasing trend to apply it to other and perhaps all basic commodity programs. I know that there are thousands of American farmers who dislike this approach exceedingly and regard it as in essence a welfare

or dole program in which they want no part. I deeply regret that the passage of the bill will launch us on a general price support program which is headed in that direction and which I think will ultimately contribute to the abandonment of any reasonable program for the assistance of American farmers.

Fourth, I am particularly concerned about the provision in the cotton title of this bill which, while the production of cotton in most areas is being discouraged and decreased, will open the door to the expansion of cotton acreage and cotton production in those areas principally the Far West where the production per acre is vastly above the national average. This bill provides that in the first year, expanded acreage to a total of 250,000 acres is permitted to those producers who are willing to forego any reliance upon the price-support program and to market their total production of cotton in the foreign market. For the second, third, and fourth years of the program, the expanded acreage might equal 250,000 acres or less, depending upon the amount of carryover from the preceding year.

In my judgment, this provision may easily lead to a substantial increase in the production of certain premium grades of cotton and to a reduction of our opportunity to sell in the foreign markets our heavy surplus of cotton now on hand. Since the principal purpose of the cotton title of the bill is to allow us to regain world markets and dispose of our heavy stockpile of cotton on the world market, it seems to me that this unfortunate provision of the conference bill may go far to defeat the principal objective of the cotton program instead of to assist it. In addition, such expanded acreage and production which would largely come in the irrigated areas of the West would bring further disaster to the cotton farmers of the Southeast and particularly to the thousands of small producers whose acreage is limited and who are already existing on an economic basis that scarcely enables them to live.

Fifth, I am also opposed to the dairy provision which I voted against when it was inserted in the Senate bill on the floor. I have received many telegrams from Florida dairymen stating that the dairyman class 1 base plan authorized by title I creates a trade barrier on the movement of bulk milk or packaged milk between Federal marketing order areas in such a way as to create a monopoly condition which, in turn, can only set up higher consumer prices.

I have been informed that the plan is almost identical to the plan ruled unconstitutional by the Supreme Court in the *Lehigh Valley* case.

Under the Federal milk marketing order system we could have three marketing orders in Florida and, as an example and as stated in the many wires which I have received, milk could not be shipped from a plant in Winter Haven to Orlando or from a plant in Jacksonville to Orlando without creating chaotic conditions.

Mr. President, I shall read into the RECORD a telegram I received from C. H.

Birdson, of Winter Haven, Fla. Mr. Birdson is a reputable dairyman in my own county. I shall read the telegram for emphasis and then read the names of the senders of a large number of other telegrams from dairymen of the State of Florida, all of whom are strongly opposed to the dairy title of the conference bill. The telegram from Mr. Birdson reads as follows:

MIAMI, FLA.,
October 12, 1965.

Hon. SPESSARD HOLLAND,
U.S. Senate,
Washington, D.C.:

The dairyman class 1 base plan authorized by title I of the omnibus farm bill creates a trade barrier on the movement of bulk milk or packaged milk between Federal marketing orders in such a way as to create a monopoly condition which in turn can only set up higher consumer prices. This plan is almost identical to the plan ruled unconstitutional by the U.S. Supreme Court in the *Lehigh Valley* case. I urge you to please vote to send this bill back to conference until the inequities have been corrected. In Florida we could have three marketing orders and could not ship milk from a plant in Winter Haven to Orlando or from a plant in Jacksonville to Orlando without creating chaotic conditions.

C. H. BIRDSON.

Mr. President, Florida has only one Federal marketing order at this time. It is confined to the Gold Coast area—Miami, Fort Lauderdale, and West Palm Beach. However, other marketing orders are in prospect of negotiation at this time.

One refers to the Tampa-St. Petersburg area, and the other to the Orlando-Jacksonville area.

The cost of production in those three areas is different. The conditions of production and of marketing are different. Therefore, these three areas have to go into different marketing areas.

The illustrations given by Mr. Birdson relate to the one marketing area already created and the two which are hopefully in the process of creation at this time.

Mr. President, I have also received similar telegrams. I shall not ask that these telegrams be printed in the RECORD, although they are here for any Senator to examine if he wishes.

I have received similar telegrams from Mr. Paul Crum, of Tallahassee; Mr. Reed Hetherington, of Hollywood; Mr. William M. Keller, of Miami; Mr. J. T. Butler, of Lakeland; Mr. Milton J. Roberts, of Jacksonville; Mr. Cecil Lewis, of Miami; Mr. John S. Poston, of Hollywood; Mr. Russell Nicholl, of Fort Lauderdale; Mr. Sherman Templeman, of Tampa; Mr. Marion Baccus, of Key West; Mr. Vernon Malin, of Plantation; Mr. Robert G. Atchinson, of Winter Haven; Mr. Richard Stucky, of Jacksonville; Mr. Ellis W. Walker, of Miami; Mr. Blaine Phillips, Jr., of Jacksonville; Mr. Walter Falardeau, of Delray Beach; Mr. O. P. Hatch, of Live Oak; Mr. J. Johnson, of Jacksonville; Mr. P. N. Smith, Jr., of Ormond Beach; Mr. J. C. Searcy, of Winter Park; Mr. Mason Copeland, of Plantation; Mr. Charles Dunlap, of Plantation; and Mr. G. W. Weber, of Plantation.

Mr. President, such an outpouring of protestation from reputable dairymen in

all parts of our peninsula, and extending as far over in the Panhandle as Tallahassee, indicates strong opposition indeed on the part of the dairy industry of my State to the provisions of this dairy title, which is title I of the pending conference report.

Mr. President, for the five reasons which I have just outlined and for other reasons which I regard as less important, I shall vote against the adoption of the conference bill.

Having stated my position as to why I shall vote against the adoption of the conference report, I want to call the attention of the Senate to a provision contained in the statement of the managers of the House and approved by the conferees of the Senate concerning farm labor which appears on pages 37 and 38 of the report and in which I am in complete accord. This provision reads as follows:

Farm labor: A provision relating to farm labor was in the Senate bill but was deleted on the floor by a narrow margin—

I digress long enough to say that the vote of the Senate was a tie vote, and the vote of the Vice President was required to defeat the amendment in the Senate bill just referred to.

I continue to read:

In spite of the fact that there is no provision with respect to farm labor in either the House or Senate bills, the committee of conference recognizes that the success of any agricultural enterprise is dependent upon an adequate labor force to carry out the farming operations. It has voted to include in this statement of managers the following statement on this subject by the committee of conference:

I emphasize the fact that this action was taken by the conferees of the House as well as by the conferees of the Senate, although the statement is made only by the conferees of the House.

I continue to read the statement:

"The committee of conference emphasizes that an adequate force of capable labor is essential to the efficient production and harvesting of agricultural commodities. It is deeply concerned over the inadequate supply of such labor this year, particularly to the producers of perishable crops.

"Agricultural labor shortages in 1965 have had serious consequences. Crops have been lost. Plantings have been reduced because of uncertainty created by governmental policies with respect to agricultural labor. Crops lost or not planted because of inadequate labor will necessarily injure the consumer and the economy as well as the farmer. They will also reduce the number of job opportunities in agriculture and related industries.

"This shortage of capable labor has resulted from administrative actions which have failed to sufficiently recognize the needs and problems of agriculture and which have imposed requirements on farmers never authorized by Congress. To avoid the subordination of agriculture's interests, it is the unanimous view of the conferees that the Secretary of Agriculture should collect necessary facts concerning requirements for and availability of agricultural labor and submit such information to the Attorney General in connection with determinations as to whether farmers are to have needed supplemental foreign labor."

We are speaking of supplemental farm labor from the Dominion of Canada, from

the Republic of Mexico, and from the islands of the Caribbean area generally spoken of as the BWI, the British West Indies Islands.

I continue to read:

"The Congress recognized the need for such information and made provision therefor by authorizing the Attorney General, in carrying out his responsibilities, to consult with appropriate agencies of Government. There is no question but that the Department of Agriculture is the appropriate agency to determine facts concerning the requirements of agriculture and the extent to which, and timeliness by which, they are being met.

"It is the opinion of the conferees that under the practice now prevailing in which the Attorney General has relied almost entirely on the Department of Labor, the findings and recommendations of the Secretary of Labor have been in many instances too little and too late to meet the critical needs of producers."

I express my fervent hope that the Secretary of Agriculture and the Attorney General will take cognizance of the will of the Congress as expressed in the statement of the managers of the House and approved by the Senate conferees, including the provision which I have read.

Mr. EASTLAND. Mr. President, I was a member of the conference committee on behalf of the Senate.

I have never known a group of men who did harder work and put forth more effort and were more zealous in trying to report out a farm bill that was adequate and helpful to all areas of the country than was the conference committee.

The distinguished Senator from Louisiana [Mr. ELLENDER], our leader, did outstanding service. He is one of the great agricultural leaders in the history of this country.

The present bill is one of the best bills that could have been reported, based on what the Senate passed and what the House of Representatives passed.

The distinguished junior Senator from Georgia [Mr. TALMADGE] did highly intelligent and outstanding work. He has written a new chapter in the history of farm legislation.

I do not agree with it. I believe that a farmer is entitled to a support price in the marketplace. However, the Senate has decided otherwise. Congress has decided otherwise. Our chairman and the Senator from Georgia [Mr. TALMADGE] are to be complimented and congratulated upon the fine work they have done.

It is an old rule that if we reduce cotton acreage in the United States, that same acreage will be planted abroad. That has happened for many years. I am alarmed by what I hear on the floor of the Senate today. Evidently the Latin American countries are being permitted by our State Department to write our cotton export program, to lock up the surplus, to pay the American farmer not to produce, and to permit the foreign countries to take over the markets of the American farmer.

That would be a catastrophe of the first order. This bill will dry up many small towns in the South. I should not like to see the State Department transfer the prosperity of those small towns to foreign areas under the guise of foreign policy.

The pending bill contains a provision for the old, discredited soil bank. I shall vote against the conference report. I believe that people have to work and produce for a living. The way such legislation, in our prosperous economy, has worked in the production of wealth violates the principle that we cannot build a prosperous economy based on a dole from the Federal Treasury.

The bill, in my judgment, is the result of the confused thinking and the muddling efforts of our State Department. It is a negative approach to a positive problem. The abundant productive capacity of the American farmer is placed in a straitjacket at a time when all restraints should be removed.

Our problem is not one of overproduction, but one of poor distribution. We should not be restraining production but encouraging it. The time, personnel, and money devoted to policing the controls placed on our farmers should be devoted to developing the means of exchanging food and clothing with a hungry and naked world of underdeveloped countries rich in the raw materials needed so badly by our industrial plants.

Mr. President, every newscast I have heard in recent years, and every newspaper I have read, is full of the fighting between hungry people around the globe. We have the capacity to reduce that hunger, but by this bill we will be further restricted from the opportunity. We need the iron ore of Brazil—they need our food. We need the minerals of many nations that need the food we cannot produce under this bill.

Mr. President, this bill reactivates the old discredited soil bank concept that the Congress refused to finance for its duration a few years ago. It aims at taking 40 million acres of cropland out of production. Cropland adjustment will result in downward adjustment in community economies, downward adjustment of farm employment, further maladjustment of urban communities in a farm labor migration to the towns to complicate housing, schools, and welfare programs.

This bill will dry up small southern towns which depend on agriculture for their economic base. It will adjust downward the volume of business done by cotton gins, compresses, implement dealers, gas and oil distributors, seed and fertilizer dealers, and the whole gamut of farm production suppliers. This reduced volume will eliminate profits and dividends and all across the country will liquidate businesses in rural communities with the loss of capital investment.

Mr. President, the cropland adjustment program will permit the retiring of up to 25 percent of the cotton allotment in any county. This in itself could be destructive to the cotton oriented business establishments. The bill goes further and requires the farmer, in order to be eligible for price supports and payments, to reduce his acreage by 12½ percent. The inducements in the bill would encourage farmers to reduce their acreage by 35 percent. Over the life of this bill it is possible for the Government to require and induce farmers to reduce their plantings of cotton by up to 60 percent of the allotted acres. No small town can withstand this type of

curtailment in its production activities and remain alive economically.

Many of the communities in areas where farmers are going out of cotton production have already made their adjustments and redirected their production activities. Farmers in these communities have released their cotton acreage to be reapportioned to other farmers in the county or within the State. Through this device the community economy has been sustained and other communities have increased their economies through the production of cotton on the reapportioned acres.

Though this bill does not change the reapportionment provisions of the law, it has in effect nullified the effects of the existing law by providing that the farmer who releases his acreage will receive a Government rental on 12½ percent of it and the cropland adjustment portion of the bill can tie it up for periods as long as 10 years. This bill is designed to destroy the cotton industry and the rural communities in the Cotton Belt. I am sure it was not deliberate, but the effects will be there just the same.

At the end of the 4-year period that this bill covers the cotton farmer will have reduced his productive capacity in equipment and labor and it will be impossible for him to retool and obtain labor to begin producing for export. It simply means that we have now restricted the American cotton farmer to the domestic market. Never again will American farmers have the opportunity to supply world needs of this fiber that contributed so much to the development of this country in its formative years.

Mr. President, it is an injustice to force the American cotton producer to pay for the sins of his Government. In 1956 we enacted legislation directing the Secretary of Agriculture to exercise his existing powers to price American cotton at the world level and to regain and maintain our historical share of world cotton markets. Following the enactment of this legislation we averaged nearly 6 million bales annually over a 5-year period. During the last 4 years, however, exports have dropped to an average of 4,500,000 bales or a reduction of a million and a half bales annually. If we had exported the 6 million bales that were required under the law our carryover in cotton would have been of manageable size and our surpluses would be practically nonexistent.

This bill is too hard on the southern farmer. It hangs the cotton farmer for the crime committed by his Government. It is the greatest injustice ever done to an economic segment of our economy in the history of this country.

In this bill we have taken away the very moderate loan level guaranteed under previous law and thrown our farmers on a support price less than the estimated world price. In order to recover the costs of production and any profits that might accrue from his operations, the cotton farmer must look to his Government on bended knee for a check. His future is made dependent upon a declining world price and the generosity of the taxpayer represented by the Congress. In my judgment these are the first agonizing throes of sure death. My own view is that cotton

farmers must have adequate acreage and a support price which will give them adequate income in the marketplace.

We force our cotton farmers to produce by buying the inputs of fertilizers, insecticides, and labor in a protected market. Through our tax structure, minimum wages, and other legal provisions we insure that his costs will be higher than his foreign competitors, and then we very liberally provide him with a loan level at 90 percent of the estimated world price.

Mr. President, the Government has been entirely too hard on the cotton farmer. Apparently we have decided that he is expendable because we have put together in this farm bill the means of assuring his demise. We have taken away all of the incentives toward efficient utilization of land, human capabilities, and capital. We have insured that his income will be restricted on these investments to a very limited level. With the passage of this bill we have insured the accelerated relocation of rural people in urban areas, with the resultant disturbances that must necessarily take place in both economic and social fields.

I cannot condone the effects of such legislation, and am forced to vote against the bill as a protest, because I believe it will destroy the cotton producers and allied establishments which are basic to the economy of my State.

The land retirement provision would destroy the economy of the towns and cities in many areas of the South and West. I admit that I am shocked at what is evidently the policy of the State Department: That rather than entering the market and aggressively competing for the farmers of the United States in the export markets, they would lock up the surplus and transfer the great American cotton industry abroad.

I heard the distinguished Senator from Texas [Mr. YARBOROUGH] describe what cotton meant to his State. It means the same, to a smaller degree, to my State. If that is the program, the bill will be doomed to fail. I do not believe, that we should pay American farmers not to produce, and then turn foreign growers loose to produce whatever they desire. Why is this not a mutual affair? If world stocks are to be brought into line, why should not all cotton-producing nations participate therein?

Again I say, as we have reduced in the United States, the same amount of additional acreage has been planted abroad.

Mr. President, for these and other reasons, I am opposed to the conference report and opposed to the bill.

Mr. STENNIS. Mr. President, I spoke briefly regarding a special problem reflected in the bill that was originally before the Senate, the bill which came before us from the Senate Agriculture Committee. I then referred to the land retirement feature contained in that bill. I find now, on further study and analysis—and I say this with great deference to those who worked on this bill, the Senator from Louisiana [Mr. ELLENDER], the Senator from Georgia [Mr. TALMADGE], the Senator from Florida [Mr. HOLLAND], and others—that on the

feature of land retirement, the bill as now presented is more pronounced and goes even further than did the Senate bill as presented to the Senate originally. That is my understanding and analysis of the bill.

Mr. President, in the area of the Cotton Belt where my State is located, and particularly the area of that State where I live, these land retirement provisions have been devastating to the economy of the community, the county, and the entire surrounding area.

In early 1961, the Senate passed the Small Grain Act, and I voted for that measure. We understood at that time it was a temporary measure, to meet a temporary situation. But it is still on the books, and still retiring acreage from grain production. Further, since 1950, Mississippi has lost, in round figures, one-third of its cotton acreage. In 1950—that was before the Korean war started, when the acreage had theretofore been determined—we had in round numbers 2,225,000 acres in cotton production in Mississippi. For 1964, we had in round numbers, 1,545,000 acres, a difference virtually one-third, a reduction of 750,000 acres has occurred in the last 14 years.

When we apply, on top of that picture, the reductions which are possible under the pending bill, we are faced with a situation where the producer, as a practical matter, is almost compelled to surrender 35 percent of his acreage, or plant only 65 percent thereof in order to take advantage of the high price supports.

There are further provisions which provide for the possible retirement of acreage. For the first year, the farmer can apply for a 10 percent additional reduction, and then, if he wishes, an additional 15 percent for the second and succeeding years, for a total of 25 percent added reduction; and we will have a further possibility of voluntary reductions in acreage in county where cotton is not a major part of the economy. But even if we have only the 35 percent reduction, which I take to be a certainty, we will have—on top of the general reduction which has occurred over the last 14 years—and the impact of such a major added reduction on the entire economy of the communities in my area will be terrific.

Were we to take out of production a third of the factories which exist in any industrial area, we would have a fair comparison of the impact which will be caused by taking away one-third of the acreage in production. Those who manufacture and sell fertilizer will have their business reduced that much; those who manufacture and sell farm machinery will be reduced that much. The business of the country crossroads store will be greatly and adversely affected. Those who sell fuel, those who sell all the products that go into making a cotton crop, the suppliers of bagging, ties for the balers, the gins, and all the items which go into making up the economy of a cotton producing area will be cruelly effected. For some it will mean going out of business. For the community it can bring stagnation. The laborers, the tenants, the renters, all those who live

on the land where they have always lived and made their living will be left without a job and without land. They will be forced to leave. They are the ones who serve the economy, who are the consumers, the purchasers at the store. They buy in the towns; they are a part of the going concern of the community. They are left without anything to do. They leave. They go to the towns; if they do not find jobs, which is usually the case, they get on the welfare lists, or drift further across the country.

In a few years we shall probably have a relaxation of acreage controls, after we have reduced the surplus. We shall then have to turn back and put more cotton acreage into production. However, the same acreage will not be returned to production. The workers will be gone. The economy will have been destroyed. Land will not have been cared for in many instances. The older citizens will have passed on and the young ones will have moved away. The land will therefore not be returned to production. Nevertheless, it will show up in the overall acreage of the Nation, but as in the past, it will show up in the cotton States to the west.

Those are the conditions which will really take the heart and life out of the agricultural economy in many areas of the South. Congress enacts bills day after day, from the antipoverty program on to gifts and grants and financing of programs that cost many billions of dollars. We have been providing something for everyone. This bill however, literally cuts the lifeblood out of large areas of the agricultural communities where countless thousands of citizens are working and making an honest living on the land and earning enough to provide them a good standard of living.

To that extent this bill is a reversal of the many remedial acts which Congress has been enacting, at this session.

I know how difficult it is for those who represent us on committees to put together a bill and adjust the differences as well as they can be adjusted, and take care of the multitude of situations with which they are confronted.

I appreciate particularly the skill, dedication, and devotion of Senators some of whose names I have already mentioned, including with emphasis the Senator from Louisiana [Mr. ELLENDER] who is one of the most valuable Senators on hand. I should like especially to include the Senator from North Dakota [Mr. YOUNG], who is always a highly valuable member on committees. I deeply appreciate the hard work that these men do. There is no more important work anywhere in the Senate. They have done it year after year. Yet, the pending conference report, I believe, will adversely effect great areas of my State and of many other States in the Cotton Belt. Then it will be too late to repair the damage.

Therefore, with the greatest deference, I cannot support the bill. I hope that somewhere along the line a better bill can be worked out here, one which I can actively and vigorously support.

Mr. President, I yield the floor.

Mr. MILLER. Mr. President, I cannot support the conference report on this bill. I believe that it should be turned down with instructions to the conferees to go back to the House conferees for the purpose of restoring the alternate feed grains program to the bill.

Let me say, however, that I shall support the agriculture appropriations bill, as I have consistently done every year, because without the money to carry out a farm program, we would have no farm program. I fully recognize that without a farm program the agricultural economy of this Nation would be in even worse straits than it is now. As I pointed out in my supplemental views in the Senate Agriculture Committee's report, studies by research economists at Iowa State University, Cornell University, Penn State University, and others make it clear that without Government farm programs, net annual farm income would seriously decline. One may question the amount of the decline which the economists estimate would occur, but all are generally agreed that the situation would be deeply serious.

As I pointed out in my supplemental views, the present feed grains program is not getting the job done. Since 1961, production of feed grains instead of going down has gone up—a total of almost 17 million tons. Our Iowa farmers have no apologies to make to anyone over the extent to which they have signed up under the feed grains program. Nationally, fewer than 50 percent of the farmers have done so, but in Iowa over 65 percent have complied. But due to the defects in the feed grains program, only 25 percent of feed grains acreage in Iowa has been retired from production and only about 15 percent of feed grains production has been eliminated.

There are two principal reasons for the failure of the feed grains program to bring about a reduction in production:

First. The program makes it advantageous for a farmer to retire only 20 percent of his feed grains acreage—the minimum amount; instead, he should be given an incentive to retire more of his acreage, which would tend to avoid the retirement of the poorest acreage, as is now being encouraged.

Second. The program is on an annual basis, so that different acreage can be retired from one year to the next, bringing into production acreage which has lain fallow the previous year and is thus capable of better production with less fertilization.

My alternative feed grains program, which the Senate committee approved and which the Senate also approved, would have avoided these defects. We received assurance from representatives of the Department of Agriculture that there was no objection to having the alternative program included in the bill. While these representatives indicated that they planned to use the present feed grains program for 1966, they gave assurance that they would give consideration to the alternative program for later years. Also, since this is a bill calling for a 4-year program and since it is almost impossible to forecast de-

velopments, it was felt that the alternative program gave the Department another tool to use in a flexible response to developments.

In the face of this, the action of the conference committee in deleting the alternative program is inexcusable. The fact that the report simply states the alternative program was deleted, demonstrates the lack of reason for such action. Instead, the conferees have decided to persist with a program for 4 years which is not going to reduce production except at an excessive cost to the taxpayers. And the failure to bring about a balance between production and consumption is going to continue the problem of farmers receiving a fair price for their production. With parity below 80 for the past 3 years, with costs of farm production steadily increasing, the cost-price squeeze on our Nation's farmers has worsened; and there is every indication that it will continue—forcing more farmers off the farm. Administration spokesmen generally claim that there is no intention to reduce the number of farmers to 1 million, but the actions of their leaders in Congress belie their words.

The approach adopted by the modified feed grains program is to give the Secretary of Agriculture the power to lower the loan support price for feed grains—and to increase the production payments to offset this action—for the purpose of forcing more farmers to volunteer to come into the program. I know that the bill recites this lowering of the loan price shall be done in such a manner as to not disrupt livestock prices, but it will, nonetheless, leave in the hands of one man, the Secretary of Agriculture, a non-elected public official, the power to determine what does and what does not constitute a disruption of livestock prices. Furthermore, the approach of compulsion vitiates the alleged voluntariness of the program. It fails to recognize that there are many farmers who will not come into the program regardless of this action by the Secretary. There are some who simply cannot cut back their feed grains acreage and make a decent living for themselves and their families; there are others who have an unfairly low feed grains base acreage compared to their neighbors; and there are still others who prefer to feed their production and take their chances with the livestock market.

Iowa is one of the greatest feed grains producing States in the Union. I do not believe that the farmers I represent should have the income of themselves and their families placed under the discretionary power of one man, not elected to office, no matter how friendly to farmers he may profess to be.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. ELLENDER. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. MANSFIELD and Mr. TALMADGE moved that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, the Senator from Kentucky [Mr. COOPER], a faithful member of the Senate Committee on Agriculture and Forestry, is devoted not only to the agricultural interests of his own State, but also to the well-being of farm families throughout the Nation. During the time when our committee met day after day in executive session working out details of the bill later passed by the Senate, the Senator from Kentucky contributed much to our discussions, and on several occasions helped work out solutions incorporated in the bill. Later, after the Senate passed the bill, he was named as one of the Senate conferees to work out the final form of the Food and Agriculture Act of 1965, and I know that he canceled several engagements in Kentucky because he knew that his first duty lay in helping us complete the work on this important measure. The Senator from Kentucky participated in the work of the conference during those 9 days, and was one of those signing the conference report, which has brought the omnibus farm bill in agreed form before the House and Senate today.

The Senator from Kentucky could not be here today, but he has asked that a brief statement concerning several provisions of the farm bill, and a more comprehensive statement reviewing the general situation with respect to surplus production and farm prices be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statements of the Senator from Kentucky [Mr. COOPER] are as follows:
SALE OF ALLOTMENTS THROUGH LAND TRANSFER
PROHIBITED

The Food and Agriculture Act of 1965 as reported to the House and Senate by the committee of conference, contains in section 707 essentially the Senate provision on the reconstitution of farms, which will become a new section 379 of the Agricultural Adjustment Act of 1938, as amended. As the Senate provision is the one which I offered and which was adopted by the Senate Committee on Agriculture and later by the conference, I think it appropriate to refer to its purpose so that the legislative history will be clear.

The purpose of the provision is to prevent the effective sale of allotments through the transfer of land, which it seemed to me could have been accomplished through a device contained in regulations issued by the Department of Agriculture on April 22, 1965, authorizing a new and different criterion for the division of a farm's allotments when part of the farm is sold. A description of this situation and the intent of my amendment are contained in my individual views on pages 133 and 134 of the Senate committee report.

I considered that the new regulation could have led to the consolidation and concentration of allotments, particularly burley tobacco allotments, and that the regulation provided a means for indirectly accomplishing the sale and transfer of burley allotments—even though burley is now specifically excepted from the authority to lease and transfer tobacco allotments. The effect of my amendment, therefore, is to strike down the April 22 change in regulations and to remove the possibility that it or some subsequent ruling would be used as a device to effect the sale of allotments, but to pre-

serve the comprehensive September 26, 1964, regulations of the Department governing the reconstitution of farms.

The new section 379 requires that when part of a farm is sold, the allotments for the farm shall be divided according to the proportion of cropland on the parent farm and the tract sold—which is the basic method which has always been followed—specifying, however, five areas of exception in which the Secretary is provided discretion to regulate the method to be used in determining the division, as he had done under the regulations issued on September 26 of last year and for some time previously.

During the Senate-House conference, officials of the Department of Agriculture indicated that the Department had no objection to the new section 379, and that in fact it would be helpful to have these long-established criteria expressed in the statute, but sought a further exception for discretionary regulation by the Secretary, presented as clause (6). It seemed to me that under the Department's suggested addition, the Secretary might again authorize a device similar to the April 22 change, which it was the purpose of my amendment to strike down. It was for this reason that I offered an amendment to the Department's suggestion, making it clear that the additional clause (6) shall not be applicable in the case of burley tobacco. My amendment excepting burley allotments from clause (6) was opposed by the Department, but adopted by the conference.

I have made this statement so that the effect of section 707 will be understood, and to make clear that when the Food and Agriculture Act of 1965 is signed into law the April 22 regulations of the Department will have become inapplicable in the case of burley allotments.

OTHER PROVISIONS

The Senate bill contained another provision I offered, supported by the Department of Agriculture, which would have authorized the Secretary to increase by up to 5 cents per pound the support price for producers marketing not in excess of 1,000 pounds of wool annually. I thought the provision would help to maintain family farm flocks throughout the native sheep States, and that it was consistent with the small farm provisions included in the cotton, feed grains and other programs. I am sorry that the provision was not maintained by the conference, but am glad a 4-year extension of the National Wool Act, which I cosponsored, was provided in this bill.

In the Senate, I voted to add to the bill the provisions of S. 399 as adopted by the Senate in 1963, known as the Proxmire amendment, authorizing class I base allocations for producers selling milk within Federal marketing orders. I considered the Senate dairy title a modest proposal which could be useful in certain order areas toward discouraging increased surplus production, and superior to title I of the House bill in that it provided free access to markets both for new producers within the order and for old producers outside the order.

I am glad the conference adopted the Senate provision on feed grains, which I helped work out in committee, to maintain the voluntary program and to encourage participation and control Government costs by authorizing the Secretary to reduce the loan level for corn while maintaining the support level through direct payments.

The conference bill in effect renews the conservation reserve of the soil bank, permitting farmers to sign up for 5- to 10-year cropland retirement contracts during each of the next 4 years. I have urged extension of the conservation reserve for years, and am glad that it will now be extended. Technically, the House title adopted by the conference with Senate amendments repeals

the Soil Bank Act of 1956, which the administration bill implemented, but it provides substantially the same authority. I am glad also that the voluntary wheat program proposed by Senator MILTON YOUNG of North Dakota, which I cosponsored, had been essentially maintained, for it will provide some increase in the income of wheat producers without increasing the cost of certificates purchased by processors.

In the committee, I supported the cotton program proposed by the chairman, Senator ELLENDER, which was adopted by our committee, but replaced in the Senate itself by the Talmadge amendment. I believe the cotton program worked out in conference has improved in several respects the House proposal and it evidently represents the best that can be done at this time. I do not think anyone yet knows how this new program may work out, and it rests on certain assumptions which may not be realized. I think it would have been better to try out the new proposal for a limited period of 2 years. But cotton is in the most serious difficulty of any commodity, and the problem of maintaining the income of cotton growers while preserving the domestic and export markets for their cotton is acute. I hope very much that the program will work—and without unreasonably heavy costs to the Government.

I have agreed to the conference amendment and signed the conference report—as a majority of the Senate conferees must do in order to return an agreed bill to the House and Senate for their respective approval. I have been glad to vote for the Food and Agriculture Act of 1965 for, whatever its shortcomings, I believe this 4-year program offers farmers a more stable, assured approach than the temporary enactments of recent years.

PROGRESS UNDER THE FARM PROGRAM

The omnibus farm bill now before the Senate for final approval deals with major commodities—including feed grains, wheat and cotton—and also renews the longer range cropland retirement authority begun under the Conservation Reserve of the Soil Bank. Further, the Food and Agricultural Act of 1965 is a 4-year program. For the first time in many years, it offers farmers a more stable, assured approach than the series of temporary programs which, since 1960, have attempted to deal with specific problems as they became acute—with constant changes nearly every year.

I think it is fair to say that unlike the omnibus farm bill proposed in 1961, this bill grants no large new powers to the Secretary of Agriculture, nor does it contain unique and radical departures from past programs; it extends authorities for the voluntary programs worked out in recent years, which are designed to maintain and improve farm income while reducing Government-held stocks of surplus commodities.

It has been correctly said, in the Senate Committee report, that the bill directly or indirectly affects commodities, including livestock, that account for nearly three-fourths of all farm cash receipts—and that "the entire economy as well as the farm segment will benefit from such action and would suffer from lack of it." I think it appropriate, therefore, to review briefly at this time the need for farm programs, and some recent trends.

It has only been a few years ago—for I remember the situation shortly after I became a member of the Committee on Agriculture 6 years ago—when the "farm problem," usually meaning the accumulation in Government bins of surplus stocks acquired in the effort to support farm prices, was considered nearly hopeless. The farm programs were easy to criticize; but when it came to practical solutions nearly everyone threw up his hands. Even today, there is

not much interest. But the situation has changed gradually, and progress is being made.

For example, on June 30, 1961, the cost value of CCC inventories was \$6.8 billion and, after a revaluation adjustment, \$5.6 billion—including over 1,243 million bushels of wheat, 1,261 million bushels of corn, 392 million bushels of sorghum, 159 million pounds of butter, and 307 million pounds of dried milk, and nearly 2 million bales of upland cotton. Four years later, as of May 31, 1965, CCC inventories have been reduced to \$4.2 billion—including 701 million bushels of wheat, 589 million bushels of corn, 603 million bushels of sorghum, 114 million pounds of butter and 294 million pounds of dried milk, and 6.8 million bales of cotton.

I remember when I voted for a change in the wheat program, I said that I would do so because wheat was in such difficulty that unless something were done it could bring down all the farm price support programs. Now the total supplies of wheat and corn have been brought to manageable levels, and the Senate bill prescribes a somewhat higher level of price support for wheat. Almost alone among the basic commodities, cotton has gotten into serious difficulty, and it is our hope that the program contained in this bill will reverse that trend. Supplies of tobacco have increased, but since enactment of the acreage-poundage authority earlier this year, already being tried in the Flue-cured areas, reports indicate that for the first time in several years production of Flue-cured tobacco will be less than use.

These changes have not been brought about without cost. For example, the acreage reserve of the soil bank program of the late 1950's was an attempt to divert allotment acreage into conservation uses, and its authorization of \$750 million annually was attacked at the time as very large. But that is about the amount estimated for the voluntary feed grain program alone in its first year in 1961, and the cost last year exceeded \$1.4 billion. But more than 3 million farmers have feed grain allotments, and the feed grain crop is worth \$6.7 billion, so that the cost per farm is reasonable, and the cost per harvested acre of \$15 is far less than for the other commodities. The feed grains program has also helped bring stability to the Nation's largest agricultural enterprise—the production of livestock and livestock products—and we are very glad that today beef cattle prices are around \$27 and hogs are selling at \$23, a large improvement over the situation a year or two ago.

I think we have learned several things from the better results secured by the farm programs in recent years. First, to have a chance of success in this vast field, it is necessary to be able to make a commitment large enough to deal with a large problem; otherwise, the benefits sought will be dissipated and the funds appropriated will be used up and disappear before reaching the critical point of reversing the trend toward a growing surplus and declining farm prices. Second, we have learned that voluntary programs for feed grains and wheat can work. They have done so through price support loans at a lower level, amounting to the world price or feed value, combined with direct payments to cooperators who agree to reduce their production. The principal result has been to transfer the cost of the programs from storage of surplus stocks to direct support of farm income.

It is true that the National Wool Act, which the bill before the Senate extends, was enacted during the Eisenhower administration, and provides for direct payments to producers representing the difference between the market price and the support price of wool; but it was often pointed out that wool and sugar are deficit commodities. Now we have direct payments in the feed grain program, initiated by a Republican amendment in the House; direct payments in the

wheat program, through certificates accompanying wheat used in this country for food; and direct payments in the new cotton program in this bill, representing the difference between the world and the domestic support price. However one feels about the theory of so-called "compensatory payments," these direct payments are proving to be a means for allowing market prices to reach a competitive level while maintaining a fair return to farmers for their domestic production and at the same time avoiding the tremendous build-up in Government stocks of previous years—surplus stocks which became nearly impossible to dispose of, and for which storage charges are almost sheer economic waste.

Third, we are learning to relate the commodity programs to each other in a more practical way. I think of the provisions permitting the substitution of wheat for feed grains and feed grains for wheat, which can help many farmers maintain a practical rotation plan, made possible by the combination of direct payments with support loans at market value. Amendments to the conservation reserve program extended by this bill would encourage longer range cropland retirement which can be coordinated with the farmers participation in the commodity programs. A refinement in the feed grains authority permits the Secretary to present a program which a farmer can better adapt to his rotation plan and size of fields without the artificial divisions formerly required.

Fourth, I think it has been learned again, and I hope it will be remembered, that arbitrary increases in acreage and increases in price-support levels, perhaps in response to political pressures or campaign promises, lead quickly to grief. It takes years to correct a program once it has been permitted to get out of hand. This is not to say that the question of how much it is worth to the country, and to consumers, to preserve an abundant supply of food and to maintain farm families in a decent and fair relationship to the income level of other segments of the economy, is not a legitimate area of political decision. But again, the method of providing support for farm income through direct payments, while relying to a larger extent on market forces to utilize rather than to store production, has avoided the awkward consequences of past attempts to support farm income wholly through market prices guaranteed at an artificial level by nonrecourse Government loans and purchase agreements.

So I think it can be said in general that the old bogey of the farm problem, surplus stocks, is being brought under control, and that with continued restraint and with vigilance on the part of the Secretary of Agriculture, we look forward to the time when Government stocks will be worked off, allotments may be increased slightly, and farmers will be producing for the marketplace.

But surpluses are not the only problem. They have resulted from attempts—by farmers themselves through increasing production, and by Government support-price programs—to maintain and increase farm income.

For years, farmers have been acutely aware of the "cost-price squeeze." For example, farm production expenses in 1961 were \$27,013 million, up \$5 billion from the 1951 level of \$22,165 million, and continued to increase steadily by more than \$2 billion to \$29,368 million last year. Cash receipts from farm marketings increased only \$2 billion during the decade from \$32,958 million in 1951 to \$34,923 million in 1961, and again increased less than production expenses, to \$36,748 million last year. As a result, realized net income has not exceeded the 1951 level of \$15,158 million since that time, and since 1961 has increased only slightly from \$12,573 to \$12,644 million.

In general, I think it can be said that farmers have been working hard to maintain their income by improving their methods and increasing yields, but that unit prices received by farmers have not increased as have the prices of other goods, so that their increased productivity has not kept pace with the increase in farmers' costs. What improvement has occurred in total net income in recent years has been almost wholly the result of the increase in Government payments—and without these programs, the situation of farmers would be desperate.

But it is not enough to talk about totals. Realized gross income per farm has increased from \$10,387 in 1961 to \$12,100 last year, including Government payments. But net income per farm has increased only \$341, from \$3,299 to \$3,640. This has been true at a time when the exodus from rural areas had been taking place at an increasing rate, with fewer farmers operating proportionately larger farms each year. For example, in 1950 there were 134,586 commercial farms in Kentucky averaging 113 acres, but in 1960 there were 86,656 commercial farms averaging 142 acres. The College of Agriculture at the University of Kentucky estimates that in the decade 1960-70 only half these farms will survive and they will be nearly doubled in size; a similar development is projected before the year 2000. Therefore, with fewer farmers maintaining larger, more efficient operations, it is small comfort to show that net income per farm is improving slightly.

As the Senate committee report points out, farmers receive about \$1.05 per hour for their work at a time when the minimum wage is \$1.25 and industrial workers average \$2.60 hourly.

Here is an industry which employs more workers than the steel and automobile, transportation and public utilities industries combined. The farmer spends from \$28 to \$29 billion a year for goods and services to produce crops and livestock, and another \$15 billion annually for the same things that city people buy. Each year the farmers' purchases include \$3.1 billion in new farm tractors, machinery and equipment, \$3.3 billion for fuel and maintenance; \$1.6 billion for fertilizer and lime; enough rubber to put tires on 6 million automobiles, and \$3 billion kilowatt-hours of electricity.

Three out of every 10 jobs in private employment are related to agriculture. One hour of farm labor now produces five times as much food as it did in 1919-21, and productivity of the American farmworker has increased by more than 5 percent a year—double the rate in nonagricultural industry. The United States is the world's largest exporter of agricultural products, and 83 million of our 300 million acres are producing for export.

Yet the farmer's share of the market food basket has declined steadily to 37 cents of each dollar spent for food. It has been pointed out repeatedly that our citizens are able to provide their food for 18½ percent of their disposable income—the lowest figure in the world. In these circumstances, a sound, permanent program of Government support for the farmer is necessary, is justified, and is fair.

While we want our programs to work without waste, and they deal with difficult problems, I do not think we are paying too high a price to maintain the system of family farms which produce abundant food of a better quality than we have ever known, for our own citizens and for many of the hungry people of the world. In other fields it may not be difficult to raise market prices by creating a shortage or keeping supply under demand. But to create a food shortage would be a sin, and we can be glad that most of the people in this country are more concerned about

going on a diet than with securing enough food to eat.

Several years ago I joined with Congressman Brooks Hays, and later with Senator Flanders, in introducing what I believe were the first bills calling for the establishment of a second Country Life Commission, similar to the first Country Life Commission established by President Theodore Roosevelt in 1908 from which flowed the county agent system, rural free delivery, farm-to-market roads, and other advances. I think it is correct that the problems of surplus production have been so overwhelming, and it is so natural to become preoccupied with the decline in parity prices, that few have looked ahead to consider what the future holds for farm families and rural America. Legislation has proceeded almost piecemeal, dealing year by year with the most immediate commodity problems, and little thought has been given to a national policy looking ahead over a span of a generation and further toward a policy which would recognize the proper place of agriculture in a developing economy, the value to the Nation of the family farm and rural life, and the organization of small towns and rural communities into the economic and social fabric of the Nation.

The commodity programs with which this bill deals, and the price support operations of the Department of Agriculture, give effective support largely to what is called the commercial farm—which will continue to produce significantly for the market. It is true that many small farmers in Kentucky are sustained by their tobacco allotments, and the Agricultural conservation program and some of the farm credit programs of the Farmers Home Administration reach small farmers. But on the whole, most of the efforts of the Department of Agriculture over many years have chiefly helped the productive commercial farms. To a large extent this is true even of services provided by the county agent and the soil conservationists, of the educational efforts of the land-grant colleges and the research efforts of the experiment stations—all of which have been largely oriented to the problems and needs of progressive farmers and productive operations.

I know that Secretary Freeman has established a Rural Community Development Service, following the work in pilot counties begun by Under Secretary True D. Morse. For example, the extension of the antipoverty program authorizes transfer of funds by the Office of Economic Opportunity to the Department of Agriculture, and I hope this authority will be used. But I think it can be said that as the problems of surplus production are brought under control, the next great area of concern ought to be with the rural areas which have been left behind and the problems of rural poverty, which, while dispersed and less concentrated than those of urban slums, are no less human, no less difficult, and no less demanding of the Nation's attention.

In recent years, we have begun to appreciate the need for planning transportation systems in conjunction with the growth and development of urban areas, including provision of "open spaces" around cities, toward the day, for example, when the eastern seaboard will become an urban continuum. It is too soon to think about what super highways do when they cut hundreds of farms in two, what becomes of thousands of acres of our most productive land when reservoirs are constructed, and how to maintain as clusters of economic vitality and social value small towns and rural trading centers, which without thought to the total development of the Nation will be bypassed and left to stagnate in the backwaters of change.

I hope that soon we will recognize that our material and human agricultural resources

are not limitless, and that we cannot settle for talent which only "stays down on the farm" because others prefer to leave.

I am glad to say that my own State of Kentucky, which is an agricultural State, is maintaining and improving its place in the Nation's agriculture. Since 1950, Kentucky has moved up from 19th to 14th among the rank of States in cash receipts from farm production, which reached \$744 million last year—\$100 million more than the year before and an all-time high. Production of crops amounted to \$429 million, of which \$349 million was received by farmers for their burley and dark leaf tobacco. The State has advanced from 20th to 14th in dairy production, and ranks third in the production of cheese.

Perhaps the greatest progress in diversifying Kentucky's agricultural enterprise has been in the production of quality feeder calves and quality feeder pigs, with dozens of feeder calf sales now being held all over the State, supplying beef and pork-producing operations across the Corn Belt. The State has also made wonderful progress in recent years in pasture renovation and improvement.

Cash receipts from Kentucky livestock amounted to \$324 million last year, \$134 million from cattle and calves, \$94 million from dairy production, \$60 million from hogs. But I am sorry to say that income from sheep and lambs has declined to nearly \$3 million. Poultry and eggs brought Kentucky farmers \$30 million last year, and while not so large, the State has a growing and progressive turkey enterprise. Our dairy co-operatives are among the most progressive in the Nation, and the Federal Milk Marketing Orders in the State have greatly expanded the areas they serve.

The State has set itself a goal of becoming a "billion-dollar farm State," and this income level for her farm families may well be achieved by 1970.

I have voted for the Food and Agriculture Act of 1965 because it extends, with improvements and for a 4-year period, the programs of recent years which have brought farmers and all of us signs of hope for the first time in many years. I hope the progress which has been made will be continued. And I point out now, as these programs begin to bring the surplus problems under control, that it is time to think about a permanent and constructive long-range policy, not only for the Nation's productive agriculture, not only to deal with the entirely separate problem of rural poverty, but also toward bringing rural communities and areas into the full enjoyment of our national life and progress.

Mr. HOLLAND. Mr. President, I also ask unanimous consent that a statement prepared by the Senator from South Dakota [Mr. McGOVERN], a loyal and effective member of the Committee on Agriculture and Forestry, who is deeply interested in the welfare of all farm people, be printed in the RECORD as his expression of the conference report on this subject which was adopted today by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement of the Senator from South Dakota [Mr. McGOVERN] is as follows:

A STEP TOWARD JUSTICE FOR AMERICAN FARMERS

The action the Senate has just taken on the conference committee report on the farm bill completes congressional approval of what I believe to be the strongest farm legislation passed by Congress in a quarter of a century. I congratulate Chairman ELLENDER and the splendid staff members of the Senate Agricultural Committee as well as the other con-

ferrees for their tireless effective work on this bill.

I am pleased with it especially because it contains proposals which I have made to strengthen wheat producers' income and to insure the continuity of humane food programs here and abroad, as well as an extension for 4 years, with improvements, of other commodity programs.

The amendment which I sponsored to authorize purchase of dairy products in the market to maintain school lunch and nutrition programs, both here and abroad, when Commodity Credit Corporation has no surplus stocks, has been enacted. It is a significant improvement in these valuable programs. It is even more significant as a policy decision. It is a decision to use our ability to produce dairy products to meet human need rather than making such programs depend on the existence of surplus Government stocks. It is a decision I hope will be extended to other commodities next year in the adoption of a world food and nutrition policy.

On January 19, the distinguished majority leader, Mr. MANSFIELD, and Senators METCALF, BURDICK, MCCARTHY, MONDALE, MCGEE, MOSS, YARBOROUGH, and NEUBERGER joined me in a bill (S. 598) to assure wheat producers 100 percent of parity support for the wheat they produce for domestic food use through the voluntary wheat certificate program I had sponsored in 1963 and which Congress adopted in 1964.

There have been a number of variations on the original concept of that bill during the course of consideration, but the farm bill just enacted gives wheat producers the very return we proposed in January—100 percent of parity on domestic food wheat which, combined with the \$1.25 basic loan on all wheat produced by farmers in compliance with the wheat acreage allotment, gives them an average return of \$1.84½ per bushel on total production.

The Congress has again recognized parity—100 percent of parity—as a proper goal of farm price support. This is especially pleasing to me for I have always deplored lack of consideration—even abuse and criticism—of the farm people who have built and now maintain the foundations of America's greatness. They have acquired the ability not only to feed our people but to produce beyond our own necessities. As a result, agricultural production provides capital, strength in war, and the materials and tools with which peace can be built if we determine to use it for that purpose.

My appreciation for support given the farm bill this year—which passed the House with a good majority and the Senate overwhelming—is very great. I am especially grateful to the Congressmen from city districts and those Senators from the more urban States who demonstrated their understanding of the value of a strong agricultural economy by supporting the bill in spite of efforts to arouse consumer opposition to it. I am grateful to the consumer groups who supported the bill knowing that they will gain more in the long run from a strong and prosperous agricultural community than from temporary farm price reductions which would be followed by concentration of production, and then scarcity and managed food prices in the years ahead.

The greatest test of my patience is criticism of American agriculture and the American farmer.

First generation farmers in the United States of America were the brave and hardy men and women who settled this land. A very large proportion of them went to the frontier as a result of a determination to be free, and not to submit to either economic, political, or religious restrictions on their freedom. Farmers in America have always been a bulwark of strength behind our American ideals.

Why are they criticized?

Is it for laziness because they do not get up until 4 or 5 a.m. to milk, get the chores done, and be in the fields at an early hour?

They are the hardest working segment of citizens in America today.

Is it because they are uneducated and ignorant?

We like to talk about the marvels of automation, nuclear energy and space technology.

In spite of their existence, in 1961 President Kennedy's Science Advisory Commission reported to him:

"Nowhere are the benefits of research more dramatically revealed than in food production. Fifty years ago in this country an agricultural worker produced food for only 3 or 4 others in contrast to his capability to feed 27 individuals today."

The National Academy of Sciences, in a report on natural resources, also characterized our agricultural achievements as the outstanding scientific achievement of our times.

This means that several million American farmers have mastered the lessons of science, have acquainted themselves with new techniques in land management, in agricultural chemistry, in biology and animal husbandry, in physics and a dozen other sciences and have applied this knowledge to bring about a productive capacity that is the marvel of the whole world.

No, farmers are not uneducated and ignorant. They are one of the most highly trained groups in our society today. A large proportion of them are college graduates and most of the remainder are self-educated men who have acquired extensive knowledge of new techniques—involving many fields of learning—in the course of their farm operations. There are few professional fields which require the extensive knowledge essential to modern farming. The recognition which our leading scientific groups have given to agriculture's achievements, which have repeatedly been described as the unrivaled scientific achievement of the century, are abundant testimonial to the high level of intelligence of our farm people.

Nowhere in America has the importance of schools—the first public facility provided in most of our pioneer communities—been more recognized. If rural school facilities have sometimes lagged, it has been for economic reasons—because our society failed to provide parity for agriculture—not because farm people wanted their schools to be cheap or inferior.

Criticism of farmers for failing to educate themselves to produce in abundance is groundless and a reflection of the critic's ignorance of the requirements of modern agriculture.

Is criticism made of farmers because they are inefficient?

Actually, agricultural productivity has risen three times faster than nonagricultural productivity in this Nation during the last 25 years.

On the other side of the critics' coin is the charge that farmers produce too abundantly, that they should limit their production themselves. A case can be made that the man who voices this criticism—the policy-makers who have deplored instead of making use of our American abundance—have failed, not the farmers. There are people who need every calorie and every fiber our agriculture can produce. Society has failed the farmers in not yet arranging our institutions so our production capacity is fully utilized.

In Russia, and Red China, and many other lands, the man who excels in food production is honored with medals. Those countries ration food to their own population to have foodstuffs for export to earn dollars, and to hold the allegiance of their satellites.

They parade their top food producers in Red Square.

Instead of parading our agricultural heroes down Pennsylvania Avenue, we have paraded many of them to bankruptcy. We are right now permitting 90,000 to 100,000 farm closures every year. I hope the bill we have just enacted will slow up the liquidation of farm operations. It will not end it. Stability in agriculture will require more than there is in this bill. It is only one step toward an adequate farm policy. The next step must be utilization of the production plant and capacity our farmers have built.

We ought to have a ceremonial when a farm bill is enacted and signed. We ought to bring into Washington a representative group of real farm people and convey to agriculture, through them, our Nation's appreciation of what they have done, and are doing for this country.

Recently I was working on a manuscript about agriculture and I ran across a terse tribute to farmers written by Wayne Darrow, a lifetime observer and student of agriculture.

Darrow reminded his readers that they purchase a fine diet for only 18.4 percent of their income, the lowest percentage in any nation in world history. He compared this to 42 percent in Japan, 45 percent in West Germany, and 56 percent in Russia. Then he added:

"Farm exports supplied the dollars to service European loans that built the cities after the Civil War. Farmworkers migrating to the cities replenished the labor force of industry after World War I immigration restrictions.

"During the 1930 depression, farmers sustained U.S. gross national output when industry cut it, and furnished a haven for millions of broke citylites.

"During World War II agriculture met all wartime demands for food and actually supplied civilians 12-14 percent more food than in prewar years.

"Since World War II farm abundance has made farm exports one of America's best dollar earners in foreign markets (two-thirds of 1961-62 exports were for dollars), and has buttressed U.S. foreign policy with mountains of food—\$4 to \$5 billion worth annually in recent years.

"The American farmer supplies more for less money and profit than any other major segment in the economy."

There are many agricultural accomplishments that could be added to Darrow's synopsis of agriculture's historical role. There will be many more if we free our farmers to produce in abundance to meet human needs.

Periodically, some editor wonders why farmers get so much attention. After all, they are now a small minority, less than 8 percent of total population. The editor investigates and finds, as did U.S. News & World Report in 1964, that farming is still America's No. 1 enterprise. That magazine told its readers in February 1964 to explain the necessity for farm legislation:

"Farming industry, though declining in relative importance in the United States, remains the country's biggest single enterprise.

"Farm employment at 6.7 million people is larger than the combined labor forces of primary metals, metal fabricators, machinery, electrical equipment, autos.

"Agriculture is estimated to be responsible for 40 percent of all jobs in the country, including some 6 million people working to provide goods and services that farmers buy.

"Capital outlay of farmers in 1962 was larger than the combined total for iron and steel, nonferrous metals, machinery, electrical equipment, autos.

"Agriculture * * * provides support for most of America's small towns. Farm spend-

ing in 1962 came to a total of \$41 billion. But less than \$2 billion of this was spent in cities of more than 30,000.

"Farm operators mostly fall in the class of small business. But their combined activities add up to a major factor in the country's economy."

On October 6, when President Johnson proclaimed the annual Farm-City Week for November 19 through November 26 of this year, he mentioned that food costs have been brought down to 18½ percent of disposable income, and added: " * * * this Nation's abundance now brings within our reach the world's first victory in the war against poverty and offers new hope to the impoverished peoples of the world * * *."

If I know President Johnson as well as I believe I do, there will be a follow up on this statement next year, and we will be advised then (if not sooner) of administration backing for a worldwide effort to banish want. The President will undoubtedly endorse loosening the shackles of production control we have had to impose, and freeing our farmers as rapidly as distribution can be arranged to produce for peace and abundance. If that is done, as I have urged for many months, farmers will make another historic contribution, not just to America, but to the welfare of all mankind.

The other day I put in the RECORD a column by James Reston of the New York Times, in which he wrote:

"It is in the production of food rather than in the production of missiles that the United States has gained the greatest advantage over the Communist world, and this just happens to be the field that concerns the undernourished and underdeveloped countries of the world—more than any other."

Reston attributed the truce in Kashmir to the fear of the participants of losing U.S. food-for-peace supplies. I placed the column in the RECORD, although I do not think we should penalize the hungry men, women, and children of a Nation because misguided leaders resort to force, to indicate the power which food assistance can exercise.

We have justified multibillion dollar space expenditures with the argument that we will lose the cold war unless we overtake the Communists in space and continue, in the eyes of the people of the world, as the world's leaders in science and technology.

Our farmers stand ready at much less cost than our \$6 billion space budget—and this is not an either/or matter—to launch food shots from the fields and pastures of America that will demonstrate to the world that we are whole generations ahead of the Communist world in the sciences and technologies by which mankind lives—the know-how for managing our own earth resources to produce food, fiber, and shelter for the human race in much greater abundance.

I have tremendous admiration for our space pioneers, for the scientists who have made travel in space possible, and especially for the great, personal courage of the astronauts who have entered the capsules and made the voyages into the little-known voids without the certainty of safe return.

I have the same sort of admiration for the American pioneers who went out into little-known areas of this continent, knowing that some would lose their lives, to explore and settle the land. The forebears of the present generation of farmers were men—and women—of great courage, too.

Farmers have brought into production resources far more exciting in their potentialities for meeting the needs of man than the desolate craters of the moon. They have explored not only the geographic reaches of the new land, but the climates, the microscopic and submicroscopic nature of its soils, the ecology, adaptable plants and animals and their life cycles, the dietary needs of both the men and the animals they supply,

methods of countering dangers in the production cycles from floods to nematodes and viruses, and literally hundreds of other aspects of their production techniques.

Our farm men and women have been through two eras of discovery—mechanization and now technology—they stand ready today to use all their enormous production capacity for the benefit of mankind, if we will but release them to do the job.

I am proud that in 1965 this Congress has shown an appreciation of farmers by passing improved farm legislation and passing it by a considerably better majority than in past years. I hope that in the near future we will enact the legislation which will lead to full utilization of our farmers' power to produce to meet human need.

American farm productivity can buy us time to develop underdeveloped lands and to adopt necessary population control measures to avoid the widespread famines that are inevitable in our times without these steps.

Agriculture always has been, and remains today, the great basic source of this Nation's strength in both war and peace.

American farmers and their rural brothers abroad hold the key to world history in the last third of the 20th century. If we will only let them write that history, it can be the most glorious chapter in the whole saga of the human race and our century can be the era in history when the human race utilized its resources wisely and found peace.

U.S. COMMISSION ON FOOD AND FIBER

Mr. JAVITS. Mr. President, I asked the majority leader to inquire, if he might, in connection with the conference report on the Food and Agriculture Act of 1965 about the appointment by the President of a U.S. Commission on Food and Fiber policy which has been assured. Senators who introduced an amendment for that purpose to H.R. 9811, the farm bill were assured that the President would appoint the commission within a month and that was the middle of September.

I have asked the majority leader about this appointment and he will, in the course of a discussion on the conference report, insert a statement in the RECORD on that point.

I express my gratitude to him for his courtesy.

Mr. MANSFIELD. I shall be glad to furnish a statement to that effect.

Mr. MANSFIELD subsequently said: Mr. President, earlier today, the distinguished senior Senator from New York [Mr. JAVITS] asked a pertinent question relative to a statement made by me on September 14, when the farm bill was under discussion in this body. At that time I stated—and this was recalled to me in general terms by Senator JAVITS:

It is my understanding that the President intends to issue an Executive order shortly to establish this National Advisory Commission on Food and Fiber. The National Advisory Commission on Food and Fiber would be composed of 25 members appointed by the President. The President would designate the Chairman of the Commission from among its members.

It is my understanding that the members of the Commission have been selected and cleared and that the President has decided on a Chairman.

Following the inquiry made by the distinguished Senator from New York [Mr.

JAVITS], I contacted the White House. I was informed that a commission had in fact been named, but that because its membership was confined too closely to a single region, the President returned the names to Mr. Macy with the request that the commission be composed of members more widely dispersed over the United States.

So I have no doubt that this matter will be attended to. While it may be a little beyond the 1 month which I indicated, because the end of that month is 2 days away, nevertheless it will be in that general period. I feel certain that the statement I made will be borne out and that the President will appoint a commission.

CONSERVING BASIS FOR NEW FARMLAND

Mr. McCLELLAN. Mr. President, on September 10, 1965, during the debate on the so-called Talmadge amendment to H.R. 9811, I made a brief statement and placed in the RECORD a letter addressed to me by the Secretary of Agriculture. The letter dealt with lands which were in timber in 1959 and 1960 but which have since been cleared and planted in soybeans.

There has been concern among my constituents relative to the exact interpretation of the Secretary's letter. I have now received a response from Mr. E. A. Jaenke, Acting Administrator of the Agricultural Stabilization and Conservation Service, who states "that any land which has been closed, planted, or in the process of clearing prior to October 1, 1965, and used for soybeans or other nonsurplus crops, as determined by the Secretary of Agriculture, will not be added to the conserving base for the farm."

Mr. President, I ask unanimous consent that Mr. Jaenke's letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL STABILIZATION AND
CONSERVATION SERVICE,

Washington, D.C., October 7, 1965.

Hon. JOHN L. McCLELLAN,
U.S. Senate.

DEAR SENATOR McCLELLAN: This is in response to an inquiry from Mr. M. J. Probst, of your office, relative to the establishment of conserving bases on farms where new land has been brought into cultivation since the base period (1959-60). There appears to be some question in the letter of September 10, 1965, from the Secretary to you pertaining to land that has been cleared or in the process of being cleared.

In order to clear up any misunderstanding occasioned by different interpretations of the Secretary's letter, we wish to make it clear that any land which has been cleared, planted, or in the process of clearing prior to October 1, 1965, and used for soybeans or other nonsurplus crops, as determined by the Secretary of Agriculture will not be added to the conserving base for the farm.

Sincerely yours,

E. A. JAENKE,
Acting Administrator.

Mr. ERVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 289 Leg.]

Aiken	Hill	Mundt
Allott	Holland	Murphy
Bass	Hruska	Muskie
Bennett	Inouye	Neuberger
Burdick	Jackson	Proxmire
Church	Jordan, N.C.	Ribicoff
Clark	Jordan, Idaho	Robertson
Douglas	Kuchel	Russell, S.C.
Eastland	Long, La.	Saltonstall
Ellender	Mansfield	Scott
Ervin	McGee	Sparkman
Fong	McGovern	Stennis
Harris	McNamara	Tydings
Hart	Monroney	Williams, N.J.
Hayden	Montoya	Williams, Del.
Hickenlooper	Moss	Yarborough

The PRESIDING OFFICER. A quorum is not present.

Mr. LONG of Louisiana. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Nevada [Mr. BIBLE], the Senator from Maryland [Mr. BREWSTER], the Senator from Nevada [Mr. CANNON], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. RANDOLPH], and the Senator from Ohio [Mr. YOUNG], are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from New York [Mr. KENNEDY], the Senator from Montana [Mr. METCALF], and the Senator from Rhode Island [Mr. PELL], are necessarily absent.

I further announce that the Senator from Alaska [Mr. GRUENING], is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Delaware [Mr. BOGGS], the Senator from Kansas [Mr. CARLSON], the Senator from New Jersey [Mr. CASE], the Senator from Colorado [Mr. DOMINICK], the Senator from New York [Mr. JAVITS], and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

The Senator from Kentucky [Mr. COOPER] and the Senator from Arizona [Mr. FANNIN] are necessarily absent.

The Senator from Iowa [Mr. MILLER] is absent by leave of the Senate.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BAYH, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. COTTON, Mr. CURTIS, Mr. DIRKSEN, Mr. DODD, Mr. FULBRIGHT, Mr. HARTKE, Mr. JORDAN of North Carolina, Mr. KENNEDY of Massachusetts, Mr. LAUSCHE, Mr. MAGNUSON, Mr. MCCARTHY, Mr. McCLELLAN, Mr. MCINTYRE, Mr. MONDALE, Mr. MORTON, Mr. NELSON, Mr. PASTORE, Mr. PEARSON, Mr. PROUTY, Mr. SIMPSON, Mr. SMATHERS, Mrs. SMITH, Mr. SYMINGTON, Mr. TALMADGE, Mr. TOWER,

and Mr. YOUNG of North Dakota entered the Chamber and answered to their names.

THE PRESIDING OFFICER. A quorum is present.

(Mr. HOLLAND obtained the floor.)

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Alabama [Mr. HILL] without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADEQUATE HEALTH SCIENCE LIBRARY SERVICES AND FACILITIES

Mr. HILL. Mr. President I ask that the Chair lay before the Senate the amendments of the House to S. 597.

The PRESIDING OFFICER (Mr. MONTAYA in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 597) to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate health science library services and facilities, which were, to strike out all after the enacting clause and insert:

SECTION 1. This Act may be cited as the "Medical Library Assistance Act of 1965".

SEC. 2. Title III of the Public Health Service Act is amended by inserting at the end thereof the following new part:

"PART I—ASSISTANCE TO MEDICAL LIBRARIES

"Declaration of policy and statement of purpose

"SEC. 390. (a) The Congress hereby finds and declares that (1) the unprecedented expansion of knowledge in the health sciences within the past two decades has brought about a massive growth in the quantity, and major changes in the nature of, biomedical information, materials, and publications; (2) there has not been a corresponding growth in the facilities and techniques necessary adequately to coordinate and disseminate among health scientists and practitioners the ever-increasing volume of knowledge and information which has been developed in the health science field; (3) much of the value of the ever-increasing volume of knowledge and information which has been, and continues to be, developed in the health science field will be lost unless proper measures are taken in the immediate future to develop facilities and techniques necessary to collect, preserve, store, process, retrieve, and facilitate the dissemination and utilization of, such knowledge and information.

"(b) It is therefore the policy of this part to—

"(1) assist in the construction of new, and the renovation, expansion, or rehabilitation of existing, medical library facilities;

"(2) assist in the training of medical librarians and other information specialists in the health sciences;

"(3) assist, through the awarding of special fellowships to physicians and other practitioners in the sciences related to health and scientists, in the compilation of existing, and the creation of additional, written matter which will facilitate the distribution and utilization of knowledge and information relating to scientific, social, and cultural advancements in sciences related to health;

"(4) assist in the conduct of research and investigations in the field of medical library science and related activities, and in the development of new techniques, systems, and



Public Law 89-321
89th Congress, H. R. 9811
November 3, 1965

An Act

79 STAT. 1187

To maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food and Agriculture Act of 1965".

Food and Agri-
culture Act of
1965.

TITLE I—DAIRY

SEC. 101. The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended by striking in subparagraph (B) of subsection 8c(5) all of clause (d) and inserting in lieu thereof a new clause (d) to read as follows:

49 Stat. 753.
7 USC 608c.

"(d) a further adjustment, equitably to apportion the total value of the milk purchased by any handler, or by all handlers, among producers and associations of producers, on the basis of their marketings of milk, which may be adjusted to reflect sales of such milk by any handler or by all handlers in any use classification or classifications, during a representative period of time which need not be limited to one year. In the event a producer holding a base allocated under this clause (d) shall reduce his marketings, such reduction shall not adversely affect his history of production and marketing for the determination of future bases. Allocations to producers under this clause (d) may be transferable under an order on such terms and conditions as may be prescribed if the Secretary of Agriculture determines that transferability will be in the best interest of the public, existing producers, and prospective new producers. Any increase in class one base resulting from enlarged or increased consumption and any producer class one bases forfeited or surrendered shall first be made available to new producers and to the alleviation of hardship and inequity among producers. In the case of any producer who during any accounting period delivers a portion of his milk to persons not fully regulated by the order, provision may be made for reducing the allocation of, or payments to be received by, any such producer under this clause (d) to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers";

and by adding at the end of said subparagraph (B) the following: "Notwithstanding the provisions of section 8c(12) and the last sentence of section 8c(19) of this Act, order provisions under (d) above shall not become effective in any marketing order unless separately approved by producers in a referendum in which each individual producer shall have one vote and may be terminated separately whenever the Secretary makes a determination with respect to such provisions as is provided for the termination of an order in subparagraph 8c(16)(B). Disapproval or termination of such order provisions shall not be considered disapproval of the order or of other terms of the order."

75 Stat. 305.

SEC. 102. Such Act is further amended (a) by adding to subsection 8c(5) the following new paragraph: "(H) Marketing orders applicable to milk and its products may be limited in application to milk used for manufacturing."; and (b) by amending subsection 8c(18) by adding after the words "marketing area" wherever they occur the

62 Stat. 1258.

words "or, in the case of orders applying only to manufacturing milk, the production area".

Termination.

SEC. 103. The provisions of this title shall not be effective after December 31, 1969.

Producer han-
dlers of milk,
legal status.
48 Stat. 31;
50 Stat. 246.
7 USC 601 notes,
674 note.

SEC. 104. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, shall be the same subsequent to the adoption of the amendments made by this title as it was prior thereto.

TITLE II—WOOL

Price supports.

SEC. 201. The National Wool Act of 1954, as amended, is amended, as follows:

68 Stat. 910;
75 Stat. 306.
7 USC 1782.

(1) By deleting from section 703 "March 31, 1966" and inserting in lieu thereof "December 31, 1969".

(2) By changing the period at the end of the third sentence of section 703 to a colon and inserting the following:

"*Provided further*, That the support price for shorn wool for the 1966 and each subsequent marketing year shall be determined by multiplying 62 cents by the ratio of (i) the average of the parity index (the index of prices paid by farmers, including commodities and services, interest, taxes, and farm wage rates, as defined in section 301 (a) (1) (C) of the Agricultural Adjustment Act of 1938, as amended) for the three calendar years immediately preceding the calendar year in which such price support is determined and announced to (ii) the average parity index for the three calendar years 1958, 1959, and 1960, and rounding the resulting amount to the nearest full cent."

62 Stat. 1250.
7 USC 1301.

(3) By deleting the fourth sentence of section 703.

TITLE III—FEED GRAINS

72 Stat. 994.
7 USC 1441
note.

SEC. 301. Section 105 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection (e):

"(e) For the 1966 through 1969 crops of feed grains, the Secretary shall require, as a condition of eligibility for price support on the crop of any feed grain which is included in any acreage diversion program formulated under section 16 (i) of the Soil Conservation and Domestic Allotment Act, as amended, that the producer shall participate in the diversion program to the extent prescribed by the Secretary, and, if no diversion program is in effect for any crop, he may require as a condition of eligibility for price support on such crop of feed grain that the producer shall not exceed his feed grain base: *Provided*, That the acreage on any farm which is diverted from the production of feed grains pursuant to a contract hereafter entered into under the Crop-land Adjustment Program shall be deemed to be acreage diverted from the production of feed grains for purposes of meeting the foregoing requirements for eligibility for price support: *Provided further*, That the Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for price support for barley to participate in the acreage diversion program for feed grains if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960, does not knowingly devote an acreage on the farm to corn and grain sorghums in excess of the acreage devoted on the farm to corn and grain sorghums in 1959 and 1960, and does not devote any acreage devoted to the production of oats and rye in 1959 and 1960

Post, p. 1190.

Post, p. 1206.

to the production of wheat pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962. Such portion of the support price for any feed grain included in the acreage diversion program as the Secretary determines desirable to assure that the benefits of the price-support and diversion programs inure primarily to those producers who cooperate in reducing their acreages of feed grains shall be made available to producers through payments-in-kind. Such payments-in-kind shall be made available on the maximum permitted acreage, or the Secretary may make the same total amount available on a smaller acreage or acreages at a higher rate or rates. The number of bushels of such feed grain on which such payments-in-kind shall be made shall be determined by multiplying that part of the actual acreage of such feed grain planted on the farm for harvest on which the Secretary makes such payments available by the farm projected yield per acre: *Provided*, That for purposes of such payments, the Secretary may permit producers of feed grains to have acreage devoted to soybeans considered as devoted to the production of feed grains to such extent and subject to such terms and conditions as the Secretary determines will not impair the effective operation of the price support program: *Provided further*, That for purposes of such payments, producers on any farm who have planted not less than 90 per centum of the acreage of feed grains permitted to be planted shall be deemed to have planted the entire acreage permitted. Notwithstanding the provisions of subsection (a), that portion of the support price which is made available through loans and purchases for the 1966 through 1969 crops may be reduced below the loan level for the 1965 crop by such amounts and in such stages as may be necessary to promote increased participation in the feed grain program, taking into account increases in yields, but so as not to disrupt the feed grain and livestock economy: *Provided*, That this authority shall not be construed to modify or affect the Secretary's discretion to maintain or increase total price support levels to cooperators. An acreage on the farm which the Secretary finds was not planted to feed grains because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of feed grains planted for harvest for purposes of such payments provided such acreage is not subsequently planted to any other income-producing crop during such year. The Secretary may make not to exceed 50 per centum of any payments hereunder to producers in advance of determination of performance. Payments-in-kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains (such feed grains to be valued by the Secretary at not less than the current support price made available through loans and purchases, plus reasonable carrying charges) in accordance with regulations prescribed by the Secretary and notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. The Secretary shall provide for the sharing of such certificates among producers on the farm on the basis of their respective shares in the feed grain crop produced on the farm, or the proceeds therefrom, except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable. If the operator of the farm elects to participate in the acreage diversion program, price support for feed grains included in the program shall be made available to the producers on such farm only if such producers divert from the production of such feed grains, in accordance with the provisions of such program,

76 Stat. 631.
7 USC 1339c.

79 STAT. 1190

an acreage on the farm equal to the number of acres which such operator agrees to divert, and the agreement shall so provide. In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this subsection (e) and subsection (d) of this section preclude the making of payments-in-kind, the Secretary may, nevertheless, make such payments-in-kind in such amounts as he determines to be equitable in relation to the seriousness of the default."

77 Stat. 44.

7 USC 1441 note.

SEC. 302. Section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is amended by adding the following new subsection:

49 Stat. 163;

1151.

16 USC 590p.

"(i) Notwithstanding any other provision of law—

"(1) For the 1966 through 1969 crops of feed grains, if the Secretary determines that the total supply of feed grains will, in the absence of an acreage diversion program, likely be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices of feed grains and to meet any national emergency, he may formulate and carry out an acreage diversion program for feed grains, without regard to provisions which would be applicable to the regular agricultural conservation program, under which, subject to such terms and conditions as the Secretary determines, conservation payments shall be made to producers who divert acreage from the production of feed grains to an approved conservation use and increase their average acreage of cropland devoted in 1959 and 1960 to designated soil-conserving crops or practices including summer fallow and idle land by an equal amount. Payments shall be made at such rate or rates as the Secretary determines will provide producers with a fair and reasonable return for the acreage diverted, but not in excess of 50 per centum of the estimated basic county support rate, including the lowest rate of payment-in-kind, on the normal production of the acreage diverted from the commodity on the farm based on the farm projected yield per acre. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price support program, and will not adversely affect farm income subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. The term 'feed grains' means corn, grain sorghums, and, if designated by the Secretary, barley, and if for any crop the producer so requests for purposes of having acreage devoted to the production of wheat considered as devoted to the production of feed grains, pursuant to the provisions of section 328 of the Food and Agriculture Act of 1962, the term 'feed grains' shall include oats and rye and barley if not designated by the Secretary as provided above: *Provided*. That acreages of corn, grain sorghums, and, if designated by the Secretary, barley, shall not be planted in lieu of acreages of oats and rye and barley if not designated by the Secretary as provided above: *Provided further*. That the acreage devoted to the production of

Conservation
payments.

"Feed grains."

76 Stat. 631.

7 USC 1339c.

wheat shall not be considered as an acreage of feed grains for purposes of establishing the feed grain base acreage for the farm for subsequent crops. Such feed grain diversion program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The acreage eligible for participation in the program shall be such acreage (not to exceed 50 per centum of the average acreage on the farm devoted to feed grains in the crop years 1959 and 1960 or twenty-five acres, whichever is greater) as the Secretary determines necessary to achieve the acreage reduction goal for the crop. Payments shall be made in kind. The acreage of wheat produced on the farm during the crop years 1959, 1960, and 1961, pursuant to the exemption provided in section 335(f) of the Agricultural Adjustment Act of 1938, as amended, prior to its repeal by the Food and Agriculture Act of 1962, in excess of the small farm base acreage for wheat established under section 335 of the Agricultural Adjustment Act of 1938, as amended, may be taken into consideration in establishing the feed grain base acreage for the farm. The Secretary may make such adjustments in acreage as he determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, and topography. Notwithstanding any other provision of this subsection (i) (1), the Secretary may, upon unanimous request of the State committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, adjust the feed grain bases for farms within any State or county to the extent he determines such adjustment to be necessary in order to establish fair and equitable feed grain bases for farms within such State or county. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. Notwithstanding any other provision of this subsection, barley shall not be included in the program for a producer of malting barley exempted pursuant to section 105(e) of the Agricultural Act of 1949, who participates only with respect to corn and grain sorghums and does not knowingly devote an acreage on the farm to barley in excess of 110 per centum of the average acreage devoted on the farm to barley in 1959 and 1960.

“(2) Notwithstanding any other provision of this subsection, not to exceed 1 per centum of the estimated total feed grain bases for all farms in a State for any year may be reserved from the feed grain bases established for farms in the State for apportionment to farms on which there were no acreages devoted to feed grains in the crop years 1959 and 1960 on the basis of the following factors: Suitability of the land for the production of feed grains, the past experience of the farm operator in the production of feed grains, the extent to which the farm operator is dependent on income from farming for his livelihood, the production of feed grains on other farms owned, operated, or controlled by the farm operator, and such other factors as the Secretary determines should be considered for the purpose of establishing fair and equitable feed grain bases. An acreage equal to the feed grain base so established for each farm shall be deemed to have been devoted to feed grains on the farm in each of the crop years 1959 and 1960 for purposes of this subsection except that producers on such farm shall not be eligible for conservation payments for the first year for which the feed grain base is established.

71 Stat. 477.

76 Stat. 621.
7 USC 1335.52 Stat. 31.
16 USC 590h.Ante, p. 1188.

“(3) There are hereby authorized to be appropriated such amounts as may be necessary to enable the Secretary to carry out this section 16(i).

“(4) The Secretary shall provide by regulations for the sharing of payments under this subsection among producers on the farm on a fair and equitable basis and in keeping with existing contracts.

“(5) Payments in kind shall be made through the issuance of negotiable certificates which the Commodity Credit Corporation shall redeem for feed grains in accordance with regulations prescribed by the Secretary and, notwithstanding any other provision of law, the Commodity Credit Corporation shall, in accordance with regulations prescribed by the Secretary, assist the producer in the marketing of such certificates. Feed grains with which Commodity Credit Corporation redeems certificates pursuant to this paragraph shall be valued at not less than the current support price made available through loans and purchases, plus reasonable carrying charges.

“(6) Notwithstanding any other provision of law, the Secretary may, by mutual agreement with the producer, terminate or modify any agreement previously entered into pursuant to this subsection if he determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of feed grains.”

SEC. 303. Section 326 of the Food and Agriculture Act of 1962, as amended, is amended by deleting the language beginning with “the requirements” and ending with “Agricultural Act of 1961, and” and substituting therefor “the requirements of any program under which price support is extended or payments are made to farmers, and price support may be extended or”.

TITLE IV—COTTON

SEC. 401. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 348 of the Act is amended by adding the following new sentences at the end thereof: “The Secretary may extend the period for performance of obligations incurred in connection with payments made for the period ending July 31, 1966, or may make payments on raw cotton in inventory on July 31, 1966, at the rate in effect on such date. No payments shall be made hereunder with respect to 1966 crop cotton.”

(2) Section 346 of the Act is amended by adding at the end thereof a new subsection as follows:

“(e) Notwithstanding any other provision of this Act, for the 1966, 1967, 1968, and 1969 crops of upland cotton, if the farm operator elects to forgo price support for any such crop of cotton by applying to the county committee of the county in which the farm is located for additional acreage under this subsection, he may plant an acreage not in excess of the farm acreage allotment established under section 344 plus the acreage apportioned to the farm from the national export market acreage reserve, and all cotton of such crop produced on the farm may be marketed for export free of any penalty under this section: *Provided*, That the foregoing shall be applicable only to farms which had upland cotton allotments for 1965 and are operated by the same operator as in 1965 or by his heir.

76 Stat. 631.
7 USC 1339a.

78 Stat. 173.
7 USC 1348.

63 Stat. 674.
7 USC 1346.

7 USC 1344.

“For the 1966 crop the national export market acreage reserve shall be 250,000 acres. For each subsequent crop—

If the carryover at the end of the marketing year for the preceding crop is estimated to be less than the carryover at the beginning of such marketing year by—	The national export market acreage reserve shall be—
At least 1,000,000 bales-----	250, 000 acres.
At least 750,000 bales, but not as much as 1,000,000 bales-----	187, 500 acres.
At least 500,000 bales, but not as much as 750,000 bales-----	125, 000 acres.
At least 250,000 bales, but not as much as 500,000 bales-----	62, 500 acres.
Less than 250,000 bales-----	None.

“The national export market acreage reserve shall be apportioned to farms by the Secretary on the basis of the applications therefor. No application shall be accepted for a greater acreage than is available on the farm for the production of upland cotton. After apportionments are thus made to farms, the Secretary shall provide farm operators a reasonable time in which to cancel their applications (and agreements to forgo price support) and surrender to the Secretary through the county committee the export market acreage assigned to the farm. Acreage so surrendered shall be available for reassignment by the Secretary to other eligible farms to which export market acreage has been apportioned on the basis of the applications remaining outstanding. The operator of any farm who elects to forgo price support for any such crop under this subsection shall not be eligible for price support on cotton of such crop produced on any other farm in which he has a controlling or substantial interest as determined by the Secretary. Acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall not be taken into account in establishing future State, county, and farm acreage allotments. The operator of any farm to which export market acreage is apportioned, or the purchasers of cotton produced on such farm, shall, under regulations issued by the Secretary, furnish a bond or other undertaking prescribed by the Secretary providing for the exportation, without benefit of any Government cotton export subsidy and within such time as the Secretary may specify, of all cotton produced on such farm for such year. The bond or other undertaking given pursuant to this subsection shall provide that, upon failure to comply with the terms and conditions thereof, the person furnishing such bond or other undertaking shall be liable for liquidated damages in an amount which the Secretary determines and specifies in such undertaking will approximate the amount payable on excess cotton under subsection (a). The Secretary may, in lieu of the furnishing of a bond or other undertaking, provide for the payment of an amount equal to that which would be payable as liquidated damages under such bond or other undertaking. If such bond or other undertaking is not furnished, or if payment in lieu thereof is not made as provided herein, at such time and in the manner required by regulations of the Secretary, or if the acreage planted to cotton on the farm exceeds the sum of the farm acreage allotment established under section 344 and the acreage apportioned to the farm from the national export market acreage reserve, the acreage planted to cotton in excess of the farm acreage allotment established under section 344 shall be regarded as excess acreage for purposes of this section and section 345. Amounts collected by the Secretary under this subsection shall be remitted to the Commodity Credit Corporation.”

(3) Section 350 of the Act is amended, effective with the 1966 crop, to read as follows:

“SEC. 350. In order to afford producers an opportunity to participate in a program of reduced acreage and higher price support, as provided in section 103 (d) of the Agricultural Act of 1949, as amended, the Secretary shall determine a national domestic allotment for the

63 Stat. 670.
7 USC 1344.

7 USC 1345.

78 Stat. 175.
7 USC 1350.

Post, p. 1194.

63 Stat. 670.
7 USC 1344.

1966, 1967, 1968, and 1969 crops of upland cotton equal to the estimated domestic consumption of upland cotton (standard bales of four hundred and eighty pounds net weight) for the marketing year beginning in the year in which the crop is to be produced. The Secretary shall determine a farm domestic acreage allotment percentage for each such year by dividing (1) the national domestic allotment (in net weight pounds) by (2) the total for all States of the product of the State acreage allotment and the projected State yield. The farm domestic acreage allotment shall be established by multiplying the farm domestic acreage allotment established under section 344 by the farm domestic acreage allotment percentage: *Provided*, That no farm domestic acreage allotment shall be less than 65 per centum of such farm acreage allotment. Such national domestic allotment shall be determined not later than October 15 of the calendar year preceding the year in which the crop is to be produced; except that in the case of the 1966 crop, such determination shall be made within 15 days after enactment of the Food and Agriculture Act of 1965."

72 Stat. 989;
78 Stat. 174.
7 USC 1444.

SEC. 402. (a) Section 103 of the Agricultural Act of 1949, as amended, is amended by adding the following new subsection at the end thereof:

"(d) (1) Notwithstanding any other provision of this Act, if producers have not disapproved marketing quotas, price support and diversion payments shall be made available for the 1966, 1967, 1968, and 1969 crops of upland cotton as provided in this subsection.

"(2) Price support for each such crop of upland cotton shall be made available to cooperators through loans at such level, not exceeding a level which will reflect for Middling one-inch upland cotton at average location in the United States 90 per centum of the estimated average world market price for Middling one-inch upland cotton for the marketing year for such crop, as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States taking into consideration the factors specified in section 401(b) of this Act: *Provided*, That the national average loan rate for the 1966 crop shall reflect 21 cents per pound for Middling one-inch upland cotton.

63 Stat. 1054.
7 USC 1421.

"(3) The Secretary also shall provide additional price support for each such crop through payments in cash or in kind to cooperators at a rate not less than 9 cents per pound: *Provided*, That the rate shall be such that the amount obtained by—

(i) multiplying the rate by the farm domestic acreage allotment percentage, and

(ii) dividing the product thus obtained by the cooperator percentage established under section 408(b), and

(iii) adding the result thus obtained to the national average loan rate

Post, p. 1197.

shall not be less than 65 per centum or more than 90 per centum of the parity price for cotton as of the month in which the payment rate provided for by this paragraph is announced. Such payments shall be made on the quantity of cotton determined by multiplying the projected farm yield by the acreage planted to cotton within the farm domestic acreage allotment: *Provided*, That any such farm planting not less than 90 per centum of such domestic acreage allotment shall be deemed to have planted the entire amount of such allotment. An acreage on a farm in any such year which the Secretary finds was not planted to cotton because of drought, flood, or other natural disaster shall be deemed to be planted to cotton for purposes of payments under this subsection if such acreage is not subsequently devoted to any other income-producing crop in such year.

"(4) The Secretary shall make diversion payments in cash or in kind in addition to the price support payments authorized in paragraph (3) to cooperators who reduce their cotton acreage by diverting a portion of their cotton acreage allotment from the production of cotton to approved conservation practices to the extent prescribed by the Secretary: *Provided*, That no reduction below the domestic acreage allotments established under section 350 of the Agricultural Adjustment Act of 1938, as amended, shall be prescribed: *Provided further*, That payment under this paragraph shall be made available for diverting to conserving uses that part of the acreage allotment which must be diverted from cotton in order that the producer may qualify as a cooperator. The rate of payment for acreage required to be diverted in order to qualify as a cooperator shall not be less than 25 per centum of the parity price for upland cotton as of the month in which such rate is announced. The rate of payment for additional acreage diverted shall be such rate as the Secretary determines to be fair and reasonable, but shall not exceed 40 per centum of such parity price. Payment at each applicable rate shall be made on the quantity of cotton determined by multiplying the acreage diverted from the production of cotton by such rate by the projected farm yield. In addition to the foregoing payment, if any, payment at the rate applicable for acreage required to be diverted to qualify as a cooperator shall be made to producers on small farms as defined in section 408(b) who do not exceed their farm acreage allotments on a quantity of cotton determined by multiplying an acreage equal to 35 per centum of such farm acreage allotment by the projected farm yield.

Ante, p. 1193.

Post, p. 1197.

"(5) The Secretary may make not to exceed 50 per centum of the payments under this subsection to producers in advance of determination of performance and the balance of such payments shall be made at such time as the Secretary may prescribe.

"(6) Where the farm operator elects to participate in the diversion program authorized in this subsection and no acreage is planted to cotton on the farm, diversion payments shall be made at the rate established under paragraph (4) for acreage required to be diverted to qualify as a cooperator on the quantity of cotton determined by multiplying that part of the farm acreage allotment required to be diverted to qualify as a cooperator by the projected farm yield, and the remainder of such allotment may be released under the provisions of section 344(m)(2) of the Agricultural Adjustment Act of 1938, as amended. The acreage on which payment is made under this paragraph shall be regarded as planted to cotton for purposes of establishing future State, county, and farm acreage allotments, and farm bases.

73 Stat. 394.
7 USC 1344.

"(7) Payments in kind under this subsection shall be made through the issuance of certificates which the Commodity Credit Corporation shall redeem for cotton under regulations issued by the Secretary at a value per pound equal to not less than the current loan rate therefor. The Corporation may, under regulations prescribed by the Secretary, assist the producers in the marketing of such certificates at such times and in such manner as the Secretary determines will best effectuate the purposes of the program authorized by this subsection.

"(8) Payments under this subsection shall be conditioned on the farm having an acreage of approved conservation uses equal to the sum of (i) the reduction in cotton acreage required to qualify for such payments (hereinafter called "diverted acreage"), and (ii) the average acreage of cropland on the farm devoted to designated soil-conserving crops or practices, including summer fallow and idle land, during a base period prescribed by the Secretary: *Provided*, That the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower,

castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production is necessary to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income, subject to the condition that payment under paragraph (4) or (6) with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops, but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses.

“(9) The acreage regarded as planted to cotton on any farm which qualifies for payment under this subsection except under paragraph (6) shall, for purposes of establishing future State, county, and farm acreage allotments and farm bases, be the farm acreage allotment established under section 344 of the Agricultural Adjustment Act of 1938, as amended, excluding adjustments under subsection (m)(2) thereof.

“(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing diversion payments on a fair and equitable basis under this subsection. The Secretary shall provide for the sharing of price support payments among producers on the farm on the basis of their respective shares in the cotton crop produced on the farm, or the proceeds therefrom, except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable.

“(11) In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this Act preclude the making of payments under this section, the Secretary may, nevertheless, make such payments in such amounts as he determines to be equitable in relation to the seriousness of the default.

“(12) Notwithstanding any other provision of this Act, if, as a result of limitations hereafter enacted with respect to price support under this subsection, the Secretary is unable to make available to all cooperators the full amount of price support to which they would otherwise be entitled under paragraphs (2) and (3) of this subsection for any crop of upland cotton, (A) price support to cooperators shall be made available for such crop (if marketing quotas have not been disapproved) through loans or purchases at such level not less than 65 per centum nor more than 90 per centum of the parity price therefor as the Secretary determines appropriate; (B) in order to keep upland cotton to the maximum extent practicable in the normal channels of trade, such price support may be carried out through the simultaneous purchase of cotton at the support price therefor and resale at a lower price or through loans under which the cotton would be redeemable by payment of a price therefor lower than the amount of the loan thereon; and (C) such resale or redemption price shall be such as the Secretary determines will provide orderly marketing of cotton during the harvest season and will retain an adequate share of the world market for cotton produced in the United States.

“(13) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act, as amended (relating to assignment of payments), shall also apply to payments under this subsection.

“(14) The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this subsection and to pay administrative expenses necessary in carrying out this subsection.”

63 Stat. 670;

73 Stat. 394.

7 USC 1344.

52 Stat. 35.

16 USC 590h.

(b) Section 408(b) of the Agricultural Act of 1949, as amended, is amended, effective only for the 1966 through 1969 crops, by changing the period at the end of the first sentence thereof to a colon and adding the following: "*Provided*, That for upland cotton a cooperator shall be a producer on whose farm the acreage planted to such cotton does not exceed the cooperator percentage, which shall be in the case of the 1966 crop, 87.5 per centum of such farm acreage allotment and, in the case of each of the 1967, 1968, and 1969 crops, such percentage, not less than 87.5 or more than 100 per centum, of such farm acreage allotment as the Secretary may specify for such crop, except that in the case of small farms (i.e. farms on which the acreage allotment is 10 acres or less, or on which the projected farm yield times the acreage allotment is 3,600 pounds or less, and the acreage allotment has not been reduced under section 344(m)) the acreage of cotton on the farm shall not be required to be reduced below the farm acreage allotment."

63 Stat. 1055.
7 USC 1428.

68 Stat. 4.
7 USC 1344.

SEC. 403. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new subparagraphs to paragraph (13) of subsection (b):

"(L) 'Projected national, State, and county yields' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop in the United States, the State and the county, respectively, during each of the five calendar years immediately preceding the year in which such projected yield for the United States, the State, and the county, respectively, is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices.

Post, p. 1205.
"Projected national, State, and county yields."

"(M) 'Projected farm yield' for any crop of cotton shall be determined on the basis of the yield per harvested acre of such crop on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields, and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (I) of this paragraph."

"Projected farm yield."

SEC. 404. Section 407 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, for the period August 1, 1966, through July 31, 1970, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells cotton for export, in no event, however, at less than 110 per centum of the loan rate, and (2) the Commodity Credit Corporation shall sell or make available for unrestricted use at current market prices in each marketing year a quantity of upland cotton equal to the amount by which the production of upland cotton is less than the estimated requirements for domestic use and for export for such marketing year. The Secretary may make such estimates and adjustments therein at such times as he determines will best effectuate the provisions of part (2) of the foregoing sentence and such quantities of cotton as are required to be sold under such sentence shall be offered for sale in an orderly manner and so as not to affect market prices unduly."

78 Stat. 177.
7 USC 1301.
7 USC 1427.

SEC. 405. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 344 the following new section:

52 Stat. 31.
7 USC 1281.
Allotments.
Sale, lease,
or transfer.

"SEC. 344a. (a) Notwithstanding any other provision of law, the Secretary, if he determines that it will not impair the effective operation of the program involved, (1) may permit the owner and operator of any farm for which a cotton acreage allotment is established to sell or lease all or any part or the right to all or any part of such allotment (excluding that part of the allotment which the Secretary determines was apportioned to the farm from the national acreage reserve) to

any other owner or operator of a farm for transfer to such farm; (2) may permit the owner of a farm to transfer all or any part of such allotment to any other farm owned or controlled by him: *Provided*, That the authority granted under this section may be exercised for the calendar years 1966, 1967, 1968, and 1969, but all transfers hereunder shall be for such period of years as the parties thereto may agree.

Conditions
for transfers.

"(b) Transfers under this section shall be subject to the following conditions: (i) no allotment shall be transferred to a farm in another State or to a person for use in another State; (ii) no farm allotment may be sold or leased for transfer to a farm in another county unless the producers of cotton in the county from which transfer is being made have voted in a referendum within three years of the date of such transfer, by a two-thirds majority of the producers participating in such referendum, to permit the transfer of allotments to farms outside the county, which referendum, insofar as practicable, shall be held in conjunction with the marketing quota referendum for the commodity; (iii) no transfer of an allotment from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholder; (iv) no sale of a farm allotment shall be permitted if any sale of cotton allotment to the same farm has been made within the three immediately preceding crop years; (v) the total cotton allotment for any farm to which allotment is transferred by sale or lease shall not exceed the farm acreage allotment (excluding reapportioned acreage) established for such farm for 1965 by more than one hundred acres; (vi) no cotton in excess of the remaining acreage allotment on the farm shall be planted on any farm from which the allotment (or part of an allotment) is sold for a period of five years following such sale, nor shall any cotton in excess of the remaining acreage allotment on the farm be planted on any farm from which the allotment (or part of an allotment) is leased during the period of such lease, and the producer on such farm shall so agree as a condition precedent to the Secretary's approval of any such sale or lease; and (vii) no transfer of allotment shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section. Such record may be filed with such committee only during the period beginning June 1 and ending December 31.

"(c) The transfer of an allotment shall have the effect of transferring also the acreage history, farm base, and marketing quota attributable to such allotment and if the transfer is made prior to the determination of the allotment for any year the transfer shall include the right of the owner or operator to have an allotment determined for the farm for such year: *Provided*, That in the case of a transfer by lease, the amount of the allotment shall be considered for purposes of determining allotments after the expiration of the lease to have been planted on the farm from which such allotment is transferred.

"(d) The land in the farm from which the entire cotton allotment and acreage history have been transferred shall not be eligible for a new farm cotton allotment during the five years following the year in which such transfer is made.

"(e) The transfer of a portion of a farm allotment which was established under minimum farm allotment provisions for cotton or which operates to bring the farm within the minimum farm allotment provision for cotton shall cause the minimum farm allotment or base to be reduced to an amount equal to the allotment remaining on the farm after such transfer.

Regulations.

"(f) The Secretary shall prescribe regulations for the administration of this section, which shall include provisions for adjusting the size of the allotment transferred if the farm to which the allotment is

transferred has a substantially higher yield per acre and such other terms and conditions as he deems necessary.

“(g) If the sale or lease occurs during a period in which the farm is covered by a conservation reserve contract, cropland conversion agreement, cropland adjustment agreement, or other similar land utilization agreement, the rates of payment provided for in the contract or agreement of the farm from which the transfer is made shall be subject to an appropriate adjustment, but no adjustment shall be made in the contract or agreement of the farm to which the allotment is transferred.

“(h) The Secretary shall by regulations authorize the exchange between farms in the same county, or between farms in adjoining counties within a State, of cotton acreage allotment for rice acreage allotment. Any such exchange shall be made on the basis of application filed with the county committee by the owners and operators of the farms, and the transfer of allotment between the farms shall include transfer of the related acreage history for the commodity. The exchange shall be acre for acre or on such other basis as the Secretary determines is fair and reasonable, taking into consideration the comparative productivity of the soil for the farms involved and other relevant factors. No farm from which the entire cotton or rice allotment has been transferred shall be eligible for an allotment of cotton or rice as a new farm within a period of five crop years after the date of such exchange.

“(i) The provisions of this section relating to cotton shall apply only to upland cotton.”

TITLE V—WHEAT

SEC. 501. Effective beginning with the crop planted for harvest in the calendar year 1966, the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 332 is amended by changing item (iv) in subsection (b) to read: “will be utilized during such marketing year in the United States as livestock (including poultry) feed, excluding the estimated quantity of wheat which will be utilized for such purpose as a result of the substitution of wheat for feed grains under section 328 of the Food and Agriculture Act of 1962” and by adding the following new subsection:

76 Stat. 619.
7 USC 1332.

“(d) Notwithstanding any other provision of this Act, the Secretary shall not proclaim a national marketing quota for the crops of wheat planted for harvest in the calendar years 1966 through 1969, and farm marketing quotas shall not be in effect for such crops of wheat.”

76 Stat. 631.
7 USC 1339c.

(2) Section 333 is amended to read as follows: “The Secretary shall proclaim a national acreage allotment for each crop of wheat. The amount of the national acreage allotment for any crop of wheat shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than that not harvested because of program incentives) of farm acreage allotments will produce an amount of wheat equal to the national marketing quota for wheat for the marketing year for such crop, or if a national marketing quota was not proclaimed, the quota which would have been determined if one had been proclaimed.

76 Stat. 620.
7 USC 1333.

(3) Subsection (a) of section 334 is amended to read as follows:

52 Stat. 53.
7 USC 1334.
National
allotment.

“(a) The national allotment for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection and less the special acreage reserve provided for in this subsection, shall be apportioned by the Secretary among the States on the basis of the preceding year's allotment for each such State, including all amounts allotted to the State and including for 1967 the increased

76 Stat. 621.
7 USC 1335.

acreage in the State allotted for 1966 under section 335, adjusted to the extent deemed necessary by the Secretary to establish a fair and equitable apportionment base for each State, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotments because of reclamation and other new areas coming into production of wheat. There also shall be made available a special acreage reserve of not in excess of one million acres as determined by the Secretary to be desirable for the purposes hereof which shall be in addition to the national acreage reserve provided for in this subsection. Such special acreage reserve shall be made available to the States to make additional allotments to counties on the basis of the relative needs of counties, as determined by the Secretary, for additional allotments to make adjustments in the allotments on old wheat farms (that is, farms on which wheat has been seeded or regarded as seeded to one or more of the three crops immediately preceding the crop for which the allotment is established) on which the ratio of wheat acreage allotment to cropland on the farm is less than one-half the average ratio of wheat acreage allotment to cropland on old wheat farms in the county. Such adjustments shall not provide an allotment for any farm which would result in an allotment-cropland ratio for the farm in excess of one-half of such county average ratio and the total of such adjustments in any county shall not exceed the acreage made available therefor in the county. Such apportionment from the special acreage reserve shall be made only to counties where wheat is a major income-producing crop, only to farms on which there is limited opportunity for the production of an alternative income-producing crop, and only if an efficient farming operation on the farm requires the allotment of additional acreage from the special acreage reserve. For the purposes of making adjustments hereunder the cropland on the farm shall not include any land developed as cropland subsequent to the 1963 crop year."

52 Stat. 54.
7 USC 1334.
Apportionment
among counties.

(4) Subsection (b) of section 334 is amended to read as follows:

"(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the preceding year wheat allotment in each such county, including for 1967 the increased acreage in the county allotted for 1966 pursuant to section 335, adjusted to the extent deemed necessary by the Secretary in order to establish a fair and equitable apportionment base for each county, taking into consideration established crop rotation practices, estimated decrease in farm allotments because of loss of history, and other relevant factors."

(5) Subsection (c) of section 334 is amended by adding new paragraphs (3) and (4) to read as follows:

"(3) Notwithstanding the provisions of paragraph (1) of this subsection, the past acreage of wheat for 1967 and any subsequent year shall be the acreage of wheat planted, plus the acreage regarded as planted, for harvest as grain on the farm which is not in excess of the farm acreage allotment.

"(4) Notwithstanding any other provision of this subsection (c), the farm acreage allotment for the 1967 and any subsequent crop of wheat shall be established for each old farm by apportioning the county wheat acreage allotment among farms in the county on which

wheat has been planted, or is considered to have been planted, for harvest as grain in any one of the three years immediately preceding the year for which allotments are determined on the basis of past acreage of wheat and the farm acreage allotment for the year immediately preceding the year for which the allotment is being established, adjusted as hereinafter provided. For purposes of this paragraph, the acreage allotment for the immediately preceding year may be adjusted to reflect established crop-rotation practices, may be adjusted downward to reflect a reduction in the tillable acreage on the farm, and may be adjusted upward to reflect such other factors as the Secretary determines should be considered for the purpose of establishing a fair and equitable allotment: *Provided*, That (i) for the purposes of computing the allotment for any year, the acreage allotment for the farm for the immediately preceding year shall be decreased by 7 per centum if for the year immediately preceding the year for which such reduction is made neither a voluntary diversion program nor a voluntary certificate program was in effect and there was noncompliance with the farm acreage allotment for such year; (ii) for purposes of clause (i), any farm on which the entire amount of farm marketing excess is delivered to the Secretary, stored, or adjusted to zero in accordance with applicable regulations to avoid or postpone payment of the penalty when farm marketing quotas are in effect, shall be considered in compliance with the allotment, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, the allotment for such farm next computed after determination of such depletion shall be reduced by reducing the allotment for the immediately preceding year by 7 per centum; and (iii) for purposes of clause (i) if the Secretary determines that the reduction in the allotment does not provide fair and equitable treatment to producers on farms following special crop rotation practices, he may modify such reduction in the allotment as he determines to be necessary to provide fair and equitable treatment to such producers."

(6) Subsection (d) of section 334 is repealed.

(7) Subsection (g) of section 334 is amended by striking out the language "except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section" in the first sentence.

(8) Section 335 is amended by adding at the end thereof the following: "This section shall not be applicable to the crops planted for harvest in 1967 and subsequent years."

(9) Section 339(b) is amended (1) by striking out "1964 and 1965 crops of wheat" and substituting "crops of wheat planted for harvest in the calendar years 1964 through 1969"; and, (2) by striking out of the third sentence "20 per centum of the farm acreage allotment" and "fifteen acres" and substituting "50 per centum of the farm acreage allotment" and "twenty-five acres", respectively.

(10) Section 339(e) is amended to read as follows: "(e) The Secretary may permit all or any part of the diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production of the commodity is needed to provide an adequate supply, is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crop shall be at a rate determined by the Secretary to be fair and reasonable taking into consideration the use of such acreage for the production of such crops: *Provided*, That in no event shall

Repeal.

74 Stat. 39.
7 USC 1334.
71 Stat. 477;
72 Stat. 80;
76 Stat. 620.
76 Stat. 621.
7 USC 1335.

7 USC 1339.

Diverted
acreage.

the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses."

SEC. 502. Effective only with respect to the crops of wheat planted for harvest in the calendar years 1966 through 1969, and the marketing years for such crops, section 379b is amended to read as follows:

"SEC. 379b. A wheat marketing allocation program as provided in this subtitle shall be in effect for the marketing years for the crops planted for harvest in the calendar years 1966 through 1969. Whenever a wheat marketing allocation program is in effect for any marketing year the Secretary shall determine (1) the wheat marketing allocation for such year which shall be the amount of wheat he estimates will be used during such year for food products for consumption in the United States, but the amount of wheat included in the marketing allocation for food products for consumption in the United States shall not be less than five hundred million bushels, and (2) the national allocation percentage for such year which shall be the percentage which, when applied to the farm as provided in this section, will result in marketing certificates being issued to producers in the amount of the national wheat marketing allocation. The cost of any domestic marketing certificates issued to producers in excess of the number of certificates acquired by processors as a result of the application of the five hundred million bushel minimum or an overestimate of the amount of wheat used during such year for food products for consumption in the United States shall be borne by Commodity Credit Corporation. Each farm shall receive a wheat marketing allocation for such marketing year equal to the number of bushels obtained by multiplying the number of acres in the farm acreage allotment for wheat by the projected farm yield, and multiplying the resulting number of bushels by the national allocation percentage."

SEC. 503. Effective beginning with the 1970 crop, section 379b is amended by striking out "normal yield of wheat for the farm as determined by the Secretary" and substituting "projected farm yield".

SEC. 504. (a) Effective upon the enactment of this Act, section 379d(b) is amended by striking out the third sentence and substituting the following: "The Secretary may exempt from the requirements of this subsection wheat exported for donation abroad and other non-commercial exports of wheat, wheat processed for use on the farm where grown, wheat produced by a State or agency thereof and processed for use by the State or agency thereof, wheat processed for donation, and wheat processed for uses determined by the Secretary to be noncommercial. Such exemptions may be made applicable with respect to any wheat processed or exported beginning July 1, 1964. There shall be exempt from the requirements of this subsection beverage distilled from wheat prior to July 1, 1964. A beverage distilled from wheat after July 1, 1964, shall be deemed to be removed for sale or consumption at the time it is placed in barrels for aging except that upon the giving of a bond as prescribed by the Secretary, the purchase of and payment for such marketing certificates as may be required may be deferred until such beverage is bottled for sale. Wheat shipped to a Canadian port for storage in bond, or storage under a similar arrangement, and subsequent exportation, shall be deemed to have been exported for purposes of this subsection when it is exported from the Canadian port."

(b) Section 379d(d) is amended by inserting after the word "flour" the following: "(excluding flour second clears not used for human consumption as determined by the Secretary)", and by inserting at the end thereof the following: "The Secretary may at his election administer the exemption for wheat processed into flour second clears through refunds either to processors of such wheat or to the users

78 Stat. 179.
7 USC 1379b.

78 Stat. 181.
7 USC 1379d.

Flour second
clears.

of such clears. For the purpose of such refunds, the wheat equivalent of flour second clears may be determined on the basis of conversion factors authorized by section 379f of the Agricultural Adjustment Act of 1938, even though certificates had been surrendered on the basis of the weight of the wheat."

76 Stat. 629.

7 USC 1379f.

Effective date.

This subsection shall be effective as to products sold, or removed for sale or consumption on or after sixty days following enactment of this Act, unless the Secretary shall by regulation designate an earlier effective date within such sixty-day period.

(c) Section 379d(b) is amended by adding at the end thereof the following: "Whenever the face value per bushel of domestic marketing certificates for a marketing year is different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary may require marketing certificates issued for the preceding marketing year to be acquired to cover all wheat processed into food products during such preceding marketing year even though the food product may be marketed or removed for sale or consumption after the end of the marketing year."

78 Stat. 181.

7 USC 1379d.

(d) Section 379g is amended by inserting "(a)" after "Sec. 379g" and adding a new subsection (b) as follows:

76 Stat. 629.

7 USC 1379g.

"(b) Whenever the face value per bushel of domestic marketing certificates for a marketing year is substantially different from the face value of domestic marketing certificates for the preceding marketing year, the Secretary is authorized to take such action as he determines necessary to facilitate the transition between marketing years. Notwithstanding any other provision of this subtitle, such authority shall include, but shall not be limited to, the authority to sell certificates to persons engaged in the processing of wheat into food products covering such quantities of wheat, at such prices, and under such terms and conditions as the Secretary may by regulation provide. Any such certificate shall be issued by Commodity Credit Corporation."

SEC. 505. The Agricultural Act of 1964 is amended as follows:

(1) Amendment (7) of section 202 is amended by striking out "1964 and 1965" and substituting "the calendar years 1964 through 1969".

78 Stat. 179.

7 USC 1339 note.

(2) Amendment (13) of section 202 is amended by striking out "only with respect to the crop planted for harvest in the calendar year 1965" and substituting "with respect to the crops planted for harvest in the calendar years 1965 through 1969".

7 USC 1379c
note.

(3) Section 204 is amended by striking out "1964 and 1965" and substituting "1964 through 1969".

7 USC 1427 note.

SEC. 506. Effective only with respect to the 1966 through 1969 crops, section 107 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445a), is amended to read as follows:

78 Stat. 182.

"SEC. 107. Notwithstanding the provisions of section 101 of this Act, for any marketing year—

63 Stat. 1051.

7 USC 1441.

"(1)(a) Price support for wheat accompanied by domestic certificates shall be at 100 per centum of the parity price or as near thereto as the Secretary determines practicable, and (b) price support for wheat not accompanied by marketing certificates shall be at such level, not in excess of the parity price therefor, as the Secretary determines appropriate, taking into consideration competitive world prices of wheat, the feeding value of wheat in relation to feed grains, and the level at which price support is made available for feed grains,

"(2) notwithstanding the provisions of paragraph (1), for the 1966 crop, price support for wheat accompanied by domestic marketing certificates shall be at 100 per centum of the parity price therefor, and price support for wheat not accompanied by mar-

76 Stat. 622;
78 Stat. 179.
7 USC 1339.

keting certificates shall be not less than \$1.25 per bushel. For any crop of wheat planted for harvest during the calendar years 1967 through 1969 for which the diversion factor established pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, is not less than 10 per centum, the total average rate of return per bushel made available to a cooperator on the estimated production of his allotment based on projected yield through loans, domestic marketing certificates, estimated returns from export marketing certificates, and diversion payments for acreage diverted pursuant to section 339(a) of the Agricultural Adjustment Act of 1938, as amended, shall not be less than the total average rate of return per bushel made available to cooperators through loans and domestic marketing certificates for the 1966 crop.

"(3) Price support shall be made available only to cooperators, and

"Cooperator."

"(4) A 'cooperator' with respect to any crop of wheat produced on a farm shall be a producer who (i) does not knowingly exceed (A) the farm acreage allotment for wheat on the farm or (ii) except as the Secretary may by regulation prescribe, the farm acreage allotment for wheat on any other farm on which the producer shares in the production of wheat, and (ii) complies with the land-use requirements of section 339 of the Agricultural Adjustment Act of 1938, as amended, to the extent prescribed by the Secretary. No producer shall be deemed to have exceeded a farm acreage allotment for wheat if the production on the acreage in excess of the farm acreage allotment is stored pursuant to the provisions of section 379c(b), but the producer shall not be eligible to receive price support on the wheat so stored."

76 Stat. 627;
78 Stat. 180.
7 USC 1379c.

SEC. 507. Effective beginning with the crop planted for harvest in the calendar year 1967, section 339(a) (1) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting after the words "national acreage allotment", wherever they appear, the following: "(less an acreage equal to the increased acreage allotted for 1966 pursuant to section 335)".

76 Stat. 621.
7 USC 1335.

SEC. 508. Effective beginning with the crop planted for harvest in the calendar year 1966, section 379c(a) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end of the third sentence thereof a semicolon and the following: "except that in any case in which the Secretary determines that such basis would not be fair and equitable, the Secretary shall provide for such sharing on such other basis as he may determine to be fair and equitable."; and by adding at the end thereof the following: "An acreage on the farm not planted to wheat because of drought, flood, or other natural disaster shall be deemed to be an actual acreage of wheat planted for harvest for purposes of this subsection provided such acreage is not subsequently planted to any other income-producing crops during such year. Producers on any farm who have planted not less than 90 per centum of the acreage of wheat required to be planted in order to earn the full amount of marketing certificates for which the farm is eligible shall be deemed to have planted the entire acreage required to be planted for that purpose."

52 Stat. 38.
7 USC 1301.

SEC. 509. Section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Paragraph (8) is amended by inserting "(A)" after "(8)" and adding the following new subparagraph:

"Projected national yield."

"(B) 'Projected national yield' as applied to any crop of wheat shall be determined on the basis of the national yield per harvested acre of the commodity during each of the five calendar years immedi-

ately preceding the year in which such projected national yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices."

(2) Paragraph (13) is amended by adding the following new subparagraphs:

"(J) 'Projected county yield' for any crop of wheat shall be determined on the basis of the yield per harvested acre of such commodity in the county during each of the five calendar years immediately preceding the year in which such projected county yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices.

52 Stat. 38.
7 USC 1301.
"Projected
county yield."

"(K) 'Projected farm yield' for any crop of wheat shall be determined on the basis of the yield per harvested acre of such commodity on the farm during each of the three calendar years immediately preceding the year in which such projected farm yield is determined, adjusted for abnormal weather conditions affecting such yield, for trends in yields and for any significant changes in production practices, but in no event shall such projected farm yield be less than the normal yield for such farm as provided in subparagraph (E) of this paragraph."

"Projected
farm yield."

SEC. 510. (a) Section 379c(b) of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the 1966 crop, by striking out of the fifth sentence the words "normal yield of wheat per acre established for the farm" and substituting therefor the words "projected farm yield".

70 Stat. 212.

(b) Section 379i of the Agricultural Adjustment Act of 1938, as amended, is amended, effective as of the effective date of the original enactment of that section, by inserting in subsections (a) and (b) after the word "who", wherever it appears, the word "knowingly".

76 Stat. 627;
78 Stat. 180.
7 USC 1379c.

SEC. 511. (a) Effective beginning with the crop planted for harvest in 1966, paragraph (9) of section 301(b) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "cotton" and "wheat" and by adding at the end thereof the following: "'Normal production' as applied to any number of acres of cotton or wheat means the projected farm yield times such number of acres."

7 USC 1379i.

(b) Public Law 74, Seventy-seventh Congress, as amended, is amended by changing the words "normal yield of wheat per acre established for the farm" in paragraph (1) to the words "projected farm yield".

76 Stat. 624.
7 USC 1340.

SEC. 512. The national, State, county, and farm acreage allotments for the 1966 crop of wheat shall be established in accordance with the provisions of law in effect prior to the enactment of this Act.

SEC. 513. (a) Section 379d(b) of the Agricultural Adjustment Act of 1938 is amended by striking out the second sentence and substituting the following: "The cost of the export marketing certificates per bushel to the exporter shall be that amount determined by the Secretary on a daily basis which would make United States wheat and wheat flour generally competitive in the world market, avoid disruption of world market prices, and fulfill the international obligations of the United States."

78 Stat. 181.
7 USC 1379d.

(b) Section 379c(a) of such Act is amended by striking out everything in the next to the last sentence beginning with the words "United States" and substituting the following: "United States. The Secretary shall also provide for the issuance of export marketing certificates to eligible producers at the end of the marketing year on a pro rata basis. For such purposes, the value per bushel of export marketing certificates shall be an average of the total net proceeds from the sale of export marketing certificates during the marketing year after

79 STAT. 1206

deducting the total amount of wheat export subsidies paid to exporters."

78 Stat. 181.
7 USC 1379c.

(c) Section 379c(c) of such Act is amended by striking out "and the face value per bushel of export certificates shall be the amount by which the level of price support for wheat accompanied by export certificates exceeds the level of price support for noncertificate wheat".

76 Stat. 631.
7 USC 1339c.

SEC. 514. Section 328 of the Food and Agriculture Act of 1962 is amended by adding to the end thereof the following: "In establishing terms and conditions for permitting wheat to be planted in lieu of oats and rye, the Secretary may take into account the number of feed units per acre of wheat in relation to the number of feed units per acre of oats and rye."

76 Stat. 627.

SEC. 515. Section 379c of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the crop planted for harvest in the calendar year 1964, by adding the following subsection:

"(e) In any case in which the failure of a producer to comply fully with the terms and conditions of the programs formulated under this Act preclude the issuance of marketing certificates, the Secretary may nevertheless, issue such certificates in such amounts as he determines to be equitable in relation to the seriousness of the default."

7 USC 1379e.

SEC. 516. Section 379e of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any other provision of this Act, Commodity Credit Corporation shall sell marketing certificates for the marketing years for the 1966 through the 1969 wheat crops to persons engaged in the processing of food products at the face value thereof less any amount by which price support for wheat accompanied by domestic certificates exceeds \$2 per bushel."

Wheat, disposal
for relief pur-
poses.

SEC. 517. Subsection (b) of section 379c of the Agricultural Adjustment Act of 1938 is amended by inserting immediately preceding the words "stored" wherever it appears, in the fourth through the sixth sentences, the words "delivered to the Secretary or", and by adding at the end thereof the following: "Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce. Notwithstanding any other provision of this Act, the Secretary may provide that a producer shall not be eligible to receive marketing certificates, or may adjust the amount of marketing certificates to be received by the producer, with respect to any farm for any year in which a variety of wheat is planted on the farm which has been determined by the Secretary, after consultation with State Agricultural Experiment Stations, agronomists, cereal chemists and other qualified technicians, to have undesirable milling or baking qualities and has made public announcement thereof."

TITLE VI—CROPLAND ADJUSTMENT

Repeal.
70 Stat. 188.
7 USC 1801 note.
Agreements with
producers.

SEC. 601. The Soil Bank Act of 1956, as amended, is hereby repealed, except that it shall remain in effect with respect to contracts entered into prior to such repeal.

SEC. 602. (a) Notwithstanding any other provision of law, for the purpose of reducing the costs of farm programs, assisting farmers in turning their land to nonagricultural uses, promoting the development and conservation of the Nation's soil, water, forest, wildlife, and recreational resources, establishing, protecting, and conserving open spaces and natural beauty, the Secretary of Agriculture is authorized to formulate and carry out a program during the calendar

years 1965 through 1969 under which agreements would be entered into with producers as hereinafter provided for periods of not less than five nor more than ten years. No agreement shall be entered into under this section concerning land with respect to which the ownership has changed in the three-year period preceding the first year of the agreement period unless the new ownership was acquired by will or succession as a result of the death of the previous owner, or unless the new ownership was acquired prior to January 1, 1965, under other circumstances which the Secretary determines, and specifies by regulation, will give adequate assurance that such land was not acquired for the purpose of placing it in the program: *Provided*, That this provision shall not be construed to prohibit the continuation of an agreement by a new owner after an agreement has once been entered into under this section: *Provided further*, That the Secretary shall not require a person who has operated the land to be covered by an agreement under this section for as long as three years preceding the date of the agreement and who controls the land for the agreement period to own the land as a condition of eligibility for entering into the agreement."

(b) The producer shall agree (1) to carry out on a specifically designated acreage of land on the farm regularly used in the production of crops (including crops, such as tame hay, alfalfa, and clovers, which do not require annual tillage and which have been planted within five years preceding the date of the agreement), hereinafter called "designated acreage", and maintain for the agreement period practices or uses which will conserve soil, water, or forest resources, or establish or protect or conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution, in such manner as the Secretary may prescribe (priority being given to the extent practicable to practices or uses which are most likely to result in permanent retirement to noncrop uses); (2) to maintain in conserving crops or uses or allow to remain idle throughout the agreement period the acreage normally devoted to such crops or uses; (3) not to harvest any crop from or graze the designated acreage during the agreement period, unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing or harvesting of such acreage, determines that it is necessary to permit grazing or harvesting in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing or harvesting subject to an appropriate reduction in the rate of payment; and (4) to such additional terms and conditions as the Secretary determines are desirable to effectuate the purposes of the program, including such measures as the Secretary may deem appropriate to keep the designated acreage free from erosion, insects, weeds, and rodents. Agreements entered into under which 1966 is the first year of the agreement period (A) shall require the producer to divert from production all of one or more crops designated by the Secretary; and (B) shall not provide for diversion from the production of upland cotton in any county in which the county committee by resolution determines, and requests of the Secretary, that there should not be such diversion in 1966.

(c) Under such agreements the Secretary shall (1) bear such part of the average cost (including labor) for the county or area in which the farm is situated of establishing and maintaining authorized practices or uses on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of the program, but not to exceed the average rate for comparable practices or uses under the agricultural conservation program, and (2) make an annual adjustment payment to the producer for the period of the agreement at

Land use.

Federal costs.

Annual adjustment payment.

such rate or rates as the Secretary determines to be fair and reasonable in consideration of the obligations undertaken by the producers. The rate or rates of annual adjustment payments as determined hereunder may be increased by an amount determined by the Secretary to be appropriate in relation to the benefit to the general public of the use of the designated acreage if the producer further agrees to permit, without other compensation, access to such acreage by the general public, during the agreement period, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations. The Secretary and the producer may agree that the annual adjustment payments for all years of the agreement period shall be made either upon approval of the agreement or in such installments as they may agree to be desirable: *Provided*, That for each year any annual adjustment payment is made in advance of performance, the annual adjustment payment shall be reduced by 5 per centum. The Secretary may provide for adjusting any payment on account of failure to comply with the terms and conditions of the program.

Advertising and
bid procedures.

(d) The Secretary shall, unless he determines that such action will be inconsistent with the effective administration of the program, use an advertising and bid procedure in determining the lands in any area to be covered by agreements. The total acreage placed under contract in any county or local community shall be limited to a percentage of the total eligible acreage in such county or local community which the Secretary determines would not adversely affect the economy of the county or local community. In determining such percentage the Secretary shall give appropriate consideration to the productivity of the acreage being retired as compared to the average productivity of eligible acreage in the county or local community.

Annual adjust-
ment payment,
limitation.

(e) The annual adjustment payment shall not exceed 40 per centum of the estimated value, as determined by the Secretary, on the basis of prices in effect at the time the agreement is entered into, of the crops or types of crops which might otherwise be grown. The estimated value may be established by the Secretary on a county, area, or individual farm basis as he deems appropriate.

Agreements,
termination or
modification.

(f) The Secretary may terminate any agreement with a producer by mutual agreement with the producer if the Secretary determines that such termination would be in the public interest, and may agree to such modification of agreements as he may determine to be desirable to carry out the purposes of the program or facilitate its administration.

Allotment
histories.

(g) Notwithstanding any other provision of law, the Secretary of Agriculture may, to the extent he deems it desirable, provide by appropriate regulations for preservation of cropland, crop acreage, and allotment history applicable to acreage diverted from the production of crops in order to establish or maintain vegetative cover or other approved practices for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation or for participation in such program. Subsections (b) (3) and (4) and (e) (6) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, are repealed, except that all rights accruing thereunder to persons who entered into contracts or agreements prior to such repeal shall be preserved.

Repeal.

74 Stat. 1030;
76 Stat. 606.
16 USC 590p.

(h) In carrying out the program, the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

52 Stat. 31.
16 USC 590h.

(i) For the purpose of obtaining an increase in the permanent retirement of cropland to noncrop uses the Secretary may, notwithstanding any other provision of law, transfer funds available for

carrying out the program to any other Federal agency or to States or local government agencies for use in acquiring cropland for the preservation of open spaces, natural beauty, the development of wildlife or recreational facilities, or the prevention of air or water pollution under terms and conditions consistent with and at costs not greater than those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action.

(j) The Secretary also is authorized to share the cost with State and local governmental agencies in the establishment of practices or uses which will establish, protect, and conserve open spaces, natural beauty, wildlife or recreational resources, or prevent air or water pollution under terms and conditions and at costs consistent with those under agreements entered into with producers, provided the Secretary determines that the purposes of the program will be accomplished by such action.

(k) In carrying out the program, the Secretary shall not during any of the fiscal years ending June 30, 1966 through June 30, 1968 or during the period June 30, 1968 through December 31, 1969, enter into agreements with producers which would require payments to producers in any calendar year under such agreements in excess of \$225,000,000 plus any amount by which agreements entered into in prior fiscal years require payments in amounts less than authorized for such prior fiscal years. For purposes of applying this limitation, the annual adjustment payment shall be chargeable to the year in which performance is rendered regardless of the year in which it is made.

(l) The Secretary is authorized to utilize the facilities, services, authorities, and funds of the Commodity Credit Corporation in discharging his functions and responsibilities under this program, including payment of costs of administration: *Provided*, That after December 31, 1966, the Commodity Credit Corporation shall not make any expenditures for carrying out the purposes of this title unless the Corporation has received funds to cover such expenditures from appropriations made to carry out the purposes of this title. There are hereby authorized to be appropriated such sums as may be necessary to carry out the program, including such amounts as may be required to make payments to the Corporation for its actual costs incurred or to be incurred under this program.

Commodity Credit
Corporation, use
of facilities.

(m) In case any producer who is entitled to any payment or compensation dies, becomes incompetent, or disappears before receiving payment or compensation, or is succeeded by another who renders or completes the required performance, the payment or compensation shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and so provide by regulations.

(n) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments or compensation under this program.

(o) The acreage on any farm which is diverted from the production of any commodity pursuant to an agreement hereafter entered into under this title shall be deemed to be acreage diverted from that commodity for the purposes of any commodity program under which diversion is required as a condition of eligibility for price support.

(p) The Secretary may, without regard to the civil service laws, appoint an Advisory Board on Wildlife to advise and consult on matters relating to his functions under this title as he deems appropriate. The Board shall consist of twelve persons chosen from members of wildlife organizations, farm organizations, State game and

Advisory Board
on Wildlife,
appointment.

fish agencies, and representatives of the general public. Members of such Advisory Board who are not regular full-time employees of the United States shall not be entitled to any compensation or expenses.

(q) The Secretary shall prescribe such regulations as he determines necessary to carry out the provisions of this title.

TITLE VII—MISCELLANEOUS

Commodity or
land use, acre-
age measurement.
52 Stat. 65.
7 USC 1374.

SEC. 701. Section 374(a) of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

“(a) The Secretary shall provide for ascertaining, by measurement or otherwise, the acreage of any agricultural commodity or land use on farms for which the ascertainment of such acreage is necessary to determine compliance under any program administered by the Secretary. Insofar as practicable, the acreage of the commodity and land use shall be ascertained prior to harvest, and, if any acreage so ascertained is not in compliance with the requirements of the program the Secretary, under such terms and conditions as he prescribes, may provide a reasonable time for the adjustment of the acreage of the commodity or land use to the requirements of the program.”

68 Stat. 904;
74 Stat. 258.
Tobacco
allotments.
77 Stat. 81.
7 USC 1314b.

SEC. 702. Section 374(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by deleting the first sentence thereof.

SEC. 703. Subsection (a) of section 316 of the Agricultural Adjustment Act of 1938, as amended, is amended (i) by striking out of the first sentence thereof “1962, 1963, 1964, and 1965,” and inserting “1962 through 1969” and (ii) by striking out of the last sentence thereof “1964 or 1965” and inserting “1964 through 1969”.

Notwithstanding the provisions of subsection 316(c) and subsection 317(f) relating to lease and transfer of allotments for years subsequent to 1965, of the Agricultural Adjustment Act of 1938, as amended, whenever acreage-poundage quotas are in effect for any kind of tobacco as provided in section 317 of the Act, except in the case of burley tobacco, and other kinds of tobacco not subject to section 316, the lease and transfer shall be on a pound for pound basis and the acreage allotment for the lessee farm shall be increased by an amount determined by dividing the number of pounds leased by the farm yield for the lessee farm, and the acreage allotment for the lessor farm shall be reduced by an amount determined by dividing the number of pounds leased by the farm yield for the lessor farm.

75 Stat. 469;
Ante, p. 66.

SEC. 704. The last paragraph of the Act entitled “An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes”, approved August 13, 1957 (7 U.S.C. 1359 note), is amended to read as follows:

“This amendment shall be effective for the 1957 through 1969 crops of peanuts.”

Peanuts,
definition.

71 Stat. 344;
77 Stat. 92.

Parity income
study.

SEC. 705. The Secretary of Agriculture shall make a study of the parity income position of farmers, including the development of criteria for measuring parity income of commercial family farmers and the feasibility of adapting such criteria to major types of farms and to selected counties. The Secretary shall report the results of such study to the Congress not later than June 30, 1966.

Report to
Congress.

Transfer of al-
lotments, etc.

SEC. 706. Notwithstanding any other provision of law, the Secretary, upon the request of any agency of any State charged with the administration of the public lands of the State, may permit the transfer of acreage allotments or feed grain bases together with relevant production histories which have been determined pursuant to the Agricultural Adjustment Act of 1938, as amended, or section 16 of

the Soil Conservation and Domestic Allotment Act, as amended, from any farm composed of public lands to any other farm or farms in the same county composed of public lands: *Provided*, That as a condition for the transfer of any allotment or base an acreage equal to or greater than the allotment or base transferred prior to adjustment, if any, shall be devoted to and maintained in permanent vegetative cover on the farm from which the transfer is made. The Secretary shall prescribe regulations which he deems necessary for the administration of this section, which may provide for adjusting downward the size of the allotment or base transferred if the farm to which the allotment or base is transferred normally has a higher yield per acre for the commodity for which the allotment or base is determined, for reasonable limitations on the size of the resulting allotments and bases on farms to which transfers are made, taking into account the size of the allotments and bases on farms of similar size in the community, and for retransferring allotments or bases and relevant histories if the conditions of the transfer are not fulfilled.

SEC. 707. The Agricultural Adjustment Act of 1938, as amended, amended by inserting after section 378 the following new section: 52 Stat. 31.
7 USC 1281.

"RECONSTITUTION OF FARMS

"SEC. 379. In any case in which the ownership of a tract of land is transferred from a parent farm, the acreage allotments, history acreages, and base acreages for the farm shall be divided between such tract and the parent farm in the same proportion that the cropland acreage in such tract bears to the cropland acreage in the parent farm, except that the Secretary shall provide by regulation the method to be used in determining the division, if any, of the acreage allotments, histories, and bases in any case in which—

"(1) the tract of land transferred from the parent farm has been or is being transferred to any agency having the right to acquire it by eminent domain;

"(2) the tract of land transferred from the parent farm is to be used for nonagricultural purposes;

"(3) the parent farm resulted from a combination of two or more tracts of land and records are available showing the contribution of each tract to the allotments, histories, and bases of the parent farm;

"(4) the appropriate county committee determines that a division based on cropland proportions would result in allotments and bases not representative of the operations normally carried out on any transferred tract during the base period; or

"(5) the parent farm is divided among heirs in settling an estate.

"(6) neither the tract transferred from the parent farm nor the remaining portion of the parent farm receives allotments in excess of allotments for similar farms in the community having allotments of the commodity or commodities involved and such allotments are consistent with good land uses, but this clause (6) shall not be applicable in the case of burley tobacco."

SEC. 708. Notwithstanding any other provision of law, in the determination of farm yields the Secretary may use projected yields in lieu of normal yields. In the determination of such yields the Secretary shall take into account the actual yield proved by the producer for the base period used in determining the projected yield, and the pro-

Projected
yields.

jected yield shall not be less than such actual yield proved by the producer.

Dairy products.

SEC. 709. The Secretary of Agriculture is hereby authorized to use funds of the Commodity Credit Corporation to purchase sufficient supplies of dairy products at market prices to meet the requirements of any programs for the schools (other than fluid milk in the case of schools), domestic relief distribution, community action, foreign distribution, and such other programs as are authorized by law, when there are insufficient stocks of dairy products in the hands of Commodity Credit Corporation available for these purposes.

TITLE VIII—RICE

Acreage diversion program.
63 Stat. 1059;
69 Stat. 45;
70 Stat. 205.
7 USC 1353.

SEC. 801. Section 353(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new paragraph at the end thereof:

“(7) If the national acreage allotment for rice for 1966, 1967, 1968, or 1969 is less than the national acreage allotment for rice for 1965, the Secretary shall formulate and carry out an acreage diversion program for rice for such year designed to support the gross income of rice producers at a level not lower than that for 1965, minus any reduction in production costs resulting from the reduced rice acreage. Under such program conservation payments shall be made to producers who comply with their rice acreage allotments, devote to an approved conservation use an acreage of cropland on the farm equal to the number of acres determined by multiplying the farm acreage allotment by the diversion factor, and comply with such additional terms and conditions as the Secretary may prescribe. The diversion factor shall be determined by dividing the number of acres by which the national acreage allotment is reduced below the national acreage allotment for 1965 by the number of acres in the national acreage allotment. Notwithstanding the foregoing provisions, the Secretary may permit all or any part of such diverted acreage to be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flaxseed, if he determines that such production is not likely to increase the cost of the price-support program and will not adversely affect farm income, subject to the condition that payment with respect to diverted acreage devoted to any such crops shall be at a rate determined by the Secretary to be fair and reasonable, taking into consideration the use of such acreage for the production of such crops; but in no event shall the payment exceed one-half the rate which otherwise would be applicable if such acreage were devoted to conservation uses. Such program shall require the producer to take such measures as the Secretary may deem appropriate to keep such diverted acreage free from erosion, insects, weeds, and rodents. The Secretary may make not to exceed 50 per centum of any payments to producers in advance of determination of performance. The Secretary shall provide for the sharing of payments under this paragraph among producers on the farm on a fair and equitable basis as determined by the Secretary. The Commodity Credit Corporation is authorized to utilize its capital funds and other assets for the purpose of making the payments authorized in this paragraph and to pay administrative expenses necessary in carrying out this paragraph.”

SEC. 802. Section 403 of the Agricultural Act of 1949, as amended, is amended by inserting at the end thereof the following: "In determining support prices for the 1966 and 1967 crops of rice the Secretary shall, notwithstanding the foregoing or any other provision of law, use head and broken rice value factors for the various varieties which (1) are not lower than those used with respect to the 1965 crop, and (2) do not differ as between any two varieties by a greater amount than the value factors used with respect to the 1965 crop for such two varieties differed."

Price support.
63 Stat. 1054;
72 Stat. 993.
7 USC 1423.

Approved November 3, 1965.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 631 (Comm. on Agriculture) and No. 1123 (Comm. of Conference).

SENATE REPORT No. 687 (Comm. on Agriculture & Forestry).

CONGRESSIONAL RECORD, Vol. 111 (1965):

Aug. 17, 18: Considered in House.

Aug. 19: Considered and passed House.

Sept. 8-10, 13: Considered in Senate.

Sept. 14: Considered and passed Senate, amended.

Oct. 8: House agreed to conference report.

Oct. 12: Senate agreed to conference report.

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service

October 1965

THE FOOD AND AGRICULTURE ACT OF 1965

INTRODUCTION

The Food and Agriculture Act of 1965 takes direct aim on the most pressing surplus commodities. It seeks to improve the commodity programs by drawing on past experience.

Commodity programs play a key role in protecting farm prices and income from the depressing effects of surplus production. These programs have contributed substantially to the improvement in the level of farm income in recent years. This year realized net farm income may reach \$13.5 billion, the highest in more than a decade. Despite this improvement, agriculture is not sharing fully in the Nation's high level of prosperity. Yet, without these commodity programs, the consensus of several studies is a 50 percent or more reduction in farm income.

The new law recognizes the continuing need to live with and manage abundance. Agricultural abundance has meant reasonable food prices with an ever-rising standard of living for consumers while threatening the economic existence of farmers. Pushed upward by steadily increasing yields per acre, U. S. agriculture's output level for several crops, particularly those in longtime surplus difficulties, has a potential far in excess of expanding needs.

The commodity programs for cotton, wheat and feed grains, embraced in the Act, seek to strike a balance between production potential and ample supplies and between adequate farm income levels and reasonable government expenditures. It would foster ample supplies to fill adequately consumer's needs and to meet our foreign obligations. It authorizes acreage diversion programs to balance production with needs for all three crops with payments to maintain income from the retired acres. The diverted acres provision would also be extended to rice, if it were necessary to reduce acreage below present levels. The cropland adjustment title is a valuable adjunct to these commodity programs by encouraging longer periods of retirement at less government cost annually. This program also offers the basis for converting cropland into other uses needed by expanding urban populations. This would be accomplished by encouraging conservation uses aimed at beautifying the countryside and at preventing water and air pollution and by shifting land to recreational uses such as hunting, fishing, camping and hiking.

The commodity programs will continue to work toward reduction of surpluses to pare government outlay. The pricing provisions would encourage maximum domestic use of all three. At the same time, the market price support would be around world levels. This would continue the competitive position of feed grains in world markets. It would permit the continued export of wheat with little or no government subsidy assistance. For cotton, U.S. production would be directly competitive with foreign output and should restore lost export markets.

The dairy title will enable producers in federal milk marketing order areas to adjust their production to that amount needed for use as fluid milk and receive the higher fluid milk price. It would lessen the need for them to increase their production in order to keep income up as under the present system of blending the higher price for milk for fluid use with the lower price for milk for manufacturing and other uses. Any drop in production resulting from this new provision would be reflected in reduced government costs.

The wool provisions will be continued much as in the past, except for an increase in the minimum support price for wool in order to help sheep producers' incomes.

The rice provisions, in addition to authorizing an acreage diversion program, would also keep price-support loan differentials among the different varieties of rice at the current spread. The margin of support between the short and long grain varieties has been widening rapidly in recent years.

The Act will also provide (1) for extending the authority for producer certification of compliance with acreage provisions of various programs, (2) continuing the lease of specified tobacco acreage allotments, (3) purchases of dairy products from the market to meet program needs, (4) continuing the exemption of boiled peanuts from marketing quotas and acreage allotments, (5) a study of farm income levels in relation to parity of income, (6) conditions for reconstituting farms for allotment and base acreage purposes, and (7) the shift of allotments and base acreages on public lands.

SUMMARY OF PRINCIPAL PROVISIONS

Title I -- Dairy

This title provides authority for a "Class I base plan" in the Federal milk marketing areas in the United States. Adoption of the plan is optional with each marketing order area, and may be put into effect only with the approval of the Secretary after a public hearing and then by at least two-thirds of the eligible dairy farmers voting in a referendum. Farmers will vote individually. Bloc voting by cooperatives will not be permitted.

The legislation amends present provisions in the Agricultural Marketing Agreement Act which authorizes the establishment of producer bases for seasonal adjustments. These new amendments would terminate on December 31, 1969.

The amended legislation authorizes the Secretary of Agriculture to establish a base for each producer who supplied milk to that market during some previous period. The method of determining the base and the base period would be determined by the Secretary from evidence recorded at a public hearing. These bases would provide the means of apportioning the higher valued fluid sales among producers. For milk delivered within his base, the producer would receive a price reflecting the higher fluid sales values. He would be paid the lower manufacturing price for all milk marketed above this base. These bases could be transferred under certain conditions.

Any increases in Class I sales or any bases forfeited would be made available first to new producers and hardship cases. The legislation makes it clear that marketing orders may be issued for milk for manufacturing purposes. It also makes clear that it is not intended to change the legal status of producer-handlers. Present seasonal base rating plans would be subject to the new procedures. Otherwise, Federal orders (unless amended) would not be affected under the legislation.

Federal milk orders:

The Federal milk marketing order program was authorized by Congress to help assure consumers of a steady and adequate supply of fresh, wholesome milk by establishing and maintaining orderly conditions for dairy farmers in marketing milk.

The orders establish minimum prices, based on supply and demand and other economic factors, which milk dealers, or handlers, must pay to dairy farmers for the milk they deliver. The price depends on whether the milk is ultimately used for bottling purposes or for the manufacture of dairy products. All dealers must pay at least the minimum price to farmers for milk used in the same manner.

The orders regulate only dairy plants in the market. They do not control production or prevent the farmer from selling his milk to any dealer he chooses. The orders do not guarantee the farmer a market with any buyer. And they do not fix retail prices.

Voluntary in nature, the orders are generally requested by dairy farmers or their cooperative associations. Public hearings at which all interested persons may submit evidence are held when a marketing order is proposed, and USDA issues a recommendation based on evidence presented at the hearing.

After considering any exceptions which might be filed on its recommendation, USDA issues a final decision, which is subject to approval by dairy farmers before the order may be put into effect. Any subsequent amendment in the provisions of the order must go through the same public-hearing and farmer-approval procedure before it is adopted.

Title II -- Wool

The National Wool Act of 1954 is extended through December 31, 1969 with only one change -- a new formula for determining the support price of shorn wool.

The support price is determined by computing the ratio of (1) the average parity index for shorn wool for the three years immediately preceding the year in which the support price is determined, and (2) the average parity index for shorn wool for 1958, 1959 and 1960. That ratio is multiplied by 62 cents.

Currently the support rate is 62 cents a pound. Under the new formula the support rate for 1966 would be about 65 cents a pound.

Title III -- Feed Grains

This title continues the voluntary feed grain program for four more years (1966 through 1969 crops). It provides, as in the past, for price-support loans and in-kind payments to program participants. In keeping the price support range at 65 to 90 percent of parity for corn (with comparable levels for grain sorghum, barley, oats, and rye) it provides the basis for support prices around levels of recent years. By diverting acreage from feed grain production to conservation uses, participants would receive payments-in-kind to maintain income. Provisions include:

1. Corn and grain sorghum are included; barley also, if designated by the Secretary. Oats and rye also may be included but only when wheat is produced on an oat-rye base under the substitution privilege. Participants may be authorized to grow soybeans in place of feed grains and receive feed grain price-support payments on that acreage.
2. Malting barley may be exempted from diversion requirements as in the past.
3. A producer becomes eligible for price support by diverting a specified part of his base acreage. (In previous programs, this has been 20 percent of the base.)
4. Price support will be extended through loans and payments. Price support for corn will be at 65 to 90 percent of parity and at comparable levels for grain sorghum, barley, oats, and rye.
5. The total production from the permitted acres will be eligible for price-support loans. Price-support payments based on projected yields would be made to participants on such part of their base as is necessary to make the program effective. Projected yields established for each farm for computing program benefits will be indicative of the yield per acre expected for each farm using current cultural practices and normal weather conditions.
6. Payments for acreage diverted from feed grain to conservation uses may be up to 50 percent of the total county price-support rate (loan plus price-support payment) multiplied by the farm projected yield.
7. Under certain conditions, the diverted acreage could be devoted to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flax at reduced payment rates.

8. Producers could substitute wheat on their feed grain acreages and feed grain on their wheat acreages as under the 1965 program if authorized by the Secretary.
9. Up to 50 percent of the estimated payments could be made at time of sign-up.
10. The provision that the established base acreage of conserving crops on the farm must be maintained, is continued.
11. The existing authority for minimum resale prices of CCC-owned feed grains is continued.
12. Producers who have planted not less than 90 percent of the feed grain acreage needed in order to earn the full amount of price-support payments will be considered as having planted the necessary number of acres, except where feed grains are substituted for wheat.

Changes from previous legislation.

Barley would be included only if designated by the Secretary.

Price-support payments-in-kind can be varied and made only on a part of the acres planted for harvest. This would provide the mechanism to make payments to participants according to the degree of participation. The authority to make payments on only part of the acres planted--such as 50 percent of the base but not in excess of the acres planted--would provide the added flexibility to permit the channeling of funds to those farms making the greater contribution to the surplus reduction.

In order to obtain needed supplies of soybeans, the Secretary may permit producers to substitute soybeans for feed grains on their permitted feed grain acreage (but not on diverted acreage) and still earn feed grain price-support payments. This would provide added flexibility in planning with the opportunity to maximize income. It could also be used to encourage production of soybeans while at the same time reducing production of unneeded feed grains.

The limitation that land diversion and price-support payments could not exceed 20 percent of the fair market value of the land has been removed. Land value is not always a fair criteria of producing capacity. Land in suburban areas is higher priced while not necessarily as a result of superior productiveness. In any event, these payments would be directly related to the farm's productive ability since they would be based on the farm expected yields.

Crambe and plantago ovato are added to the list of non-surplus crops which may be substituted on feed grain diverted acres.

Farmers who are prevented from planting their feed grains because of some natural disaster will be permitted to obtain the same program benefits as if they had planted provided the acreage is not subsequently planted to an income-producing crop.

The yields on which diversion payments would be computed would be the yield expected on the farm in the current year rather than being limited to a historical 5-year average. This will bring program yields more nearly on a par with actual yields.

Title IV -- Cotton

This title continues the one-price approach to keep cotton and cotton products competitive with man-made fibers and foreign production. It attacks surplus cotton production with a program similar to the successful acreage diversion programs for wheat and feed grains. It maintains cotton farmers' incomes through payment supplements.

The provisions are:

1. The present 16 million acre minimum national allotment and marketing quota provisions, the national acreage reserve provisions, and the release and reapportionment provisions are continued.
2. Establishes farm domestic allotments. These will not be less than 65 percent of the farm acreage allotment.
3. At least a 12.5 percent reduction from the farm acreage allotment (as established after release of acreage from the farm or reapportionment of acreage to the farm and after any transfer of allotment by sale or lease) is required for 1966 if price support or other program benefits are desired. For the 1967, 1968, and 1969 crops, the Secretary is authorized to set the mandatory reduction requirement at zero to 12.5 percent. Farmers who make the mandatory reduction will qualify as cooperators. There is an exception for small farms from which no allotment is released -- no reduction will be required (a) on farms with an allotment of 10 acres or less, and (b) on farms on which the projected yield of the farm allotment times the projected yield is 3,600 pounds or less.
4. Permits a person who was the operator of a farm which had a 1965 cotton allotment and who is the operator of the farm both in 1965 and the subsequent year (or heir who succeeds him), to stay out of the program and plant and sell for export without having to pay marketing quota penalties. It establishes a national export market acreage reserve of 250,000 acres for 1966 and establishes a range of zero to 250,000 acres reserve for 1967, 1968 and 1969 to be determined on the basis of specified reductions in carryover. In order to participate, farmers must apply for their share of this export acreage. All of the cotton produced on a farm having export market acreage must be exported without benefit of any government export subsidy and the producers would forego all price

support on cotton produced on this farm. Also, the operator who elects to forego price support for any one of the four years covered by this program shall not be eligible for price support for any such year on any other farm in which he has a substantial or controlling interest, as determined by the Secretary.

5. Price-support payments will be made to cooperators on the farm domestic acreage allotment. This payment when added to the loan rate will reflect not less than 65 percent of parity for the projected yield of the permitted acreage (for 1966 the permitted acreage is 87.5 percent of the farm allotment) and cannot be less than 9 cents a pound. For 1966 the indicated rate is 9.42 cents.
6. Provides loans to cooperators at not more than 90 percent of the estimated average world market price (for 1966, 21 cents) available on the actual production of cotton by cooperators.
7. Provides that diversion payments will be made on the acreage required to be diverted in order to qualify as a cooperator. These payments are to be not less than 25 percent of the parity price as of the month when the rate for diversion payments is announced (10.5 cents a pound is indicated for 1966) on the projected yield of the acreage diverted (12½ percent of the farm allotment). Small farms which are not required to divert any acreage are eligible for payments on the projected yield of an acreage equal to 35 percent of the farm acreage allotment if they do not plant in excess of the farm acreage allotment.
8. For any acreage diverted in addition to the required diversion the diversion rate will be at a rate determined by the Secretary to be fair and reasonable but not to exceed 40 percent of parity for the projected yield of the acreage diverted. The indicated rate for 1966 is 10.5 cents.
9. The limit on acreage diverted for payment is a total of 35 percent of the farm allotment.
10. Makes producers who do not want to plant any of their acreage allotment eligible for diversion payment on 12½ percent of their farm allotment. The balance of the allotment may be released for reapportionment.

11. Acreage diverted from the production of cotton must be placed in conservation uses. The Secretary is authorized to permit the planting of certain minor crops on the retired acreage.
12. Provides no change from present law on release and reapportionment of cotton allotments.
13. Requires CCC to make cotton available for domestic use at the same prices that it sells for export, but not less than 110 percent of the loan rate, and that it must sell each year for unrestricted use at the market price to provide the difference between estimated production and use.
14. Provides that any farmer desiring to sell or lease his upland cotton allotment to other farmers may do so only to another farmer within that county, unless the farmers of that county have voted in a referendum (by a two-thirds affirmative vote), that it may be sold or leased outside the county. In no case may the allotment be leased or sold outside the State. Transfers of allotments, by lease or sale, may be filed with the county ASC committee only during the period beginning June 1 and ending December 31. Allotments may be leased during the four years covered by the Act and be in effect for the time specified in the lease arrangement. Various restrictions not enumerated here apply to transfers by sale or lease.
15. Exchange of rice and cotton allotments between producers within a county or an adjoining county is authorized under terms and conditions approved by the Secretary.
16. As much as 50 percent of the payment determined for a farm can be made in advance of the determination of performance on the farm and the balance will be made at such time as the Secretary prescribes. Payments may be assigned to persons and firms making crop production loans to farmers.
17. Under the cropland adjustment program farmers may retire land from production under 5- to 10-year contracts, with the requirement for 1966 that all of at least one surplus crop be placed in the program; however, for 1966 the ASCS county committee may request that cotton acreage be excluded from coverage under this program by the Secretary.

Changes from previous legislation.

Price-support loans will be not more than 90 percent of the average world market price for cotton. To maintain farm income from cotton and encourage adjustments in acreages planted to cotton, price support and diversion payments will be made at varying payment rates to producers, depending on participation with acreage reduction provisions.

The equalization payments made to handlers and others will be eliminated. U. S. cotton market prices will move with world prices.

Farmers may plant cotton in excess of the acreage allotment and forego price-support loans and payments on farms receiving export market acreage.

Farmers may plant cotton in excess of the acreage allotment and forego price-support loans and payments on farms receiving export market acreage. In this case, all cotton must be exported.

The sale and lease of upland cotton allotments is permitted.

Farmers must underplant their allotments in order to qualify as cooperators; however, they receive diversion payments on the retired acreage and may receive increased payment if acreage is diverted above the minimum diversion requirement.

Long term contracts for the retirement of cropland from production will be available under the cropland adjustment program.

Title V -- Wheat

This title improves and continues for four years (1966 through 1969 crops) the voluntary wheat certificate program. Provisions are:

1. Marketing quotas are suspended while the program is in effect.
2. Beginning in 1967, computation of State, county and farm wheat allotments is simplified. Each will be computed on the basis of the preceding year's allotment instead of on the basis of 5- and 10-year history. It will not significantly change the present acreage relationships between States, counties, and farms, and will reflect the increases made in small farm allotments under existing law. For 1966, State, county and farm allotments are computed under the law existing before passage of the law and will remain in effect.
3. Projected yields established for each farm for computing program benefits will be indicative of the yield per acre expected for each farm using current cultural practices and normal weather conditions.

4. Producers become eligible for price support by planting within their wheat allotments on all farms in which they have an interest, maintaining on participating farms the normal acreage of conserving crops, and devoting to conservation uses the acreages they divert from wheat.
5. Diversion payments are authorized on additional voluntary diversion up to the larger of (a) 50 percent of the farm allotment or (b) sufficient acreage to bring the total diverted acreage up to 25 acres. The payment rate would be not more than 50 percent of the county loan rate times the farm projected yield.
6. Domestic marketing certificates will be issued to producers to cover estimated domestic food use but not less than 500 million bushels a year.
7. Wheat with domestic certificates will be supported at 100 percent of parity, or as near thereto as practicable. For 1966 wheat accompanied by domestic certificates will be supported at 100 percent of parity.
8. Wheat not accompanied by certificates will be supported through loans at a level based on competitive world prices and the feeding value of wheat in relation to feed grains. For 1966, the national average price-support loan level will not be less than \$1.25 per bushel.
9. The price of domestic certificates sold by Commodity Credit Corporation to domestic food processors of wheat will be the difference between the national average loan level and \$2.00 a bushel.
10. Authority for export certificates is continued. If the U.S. market price falls below the world price, exporters will be required to purchase export certificates, and the cost of such certificates to exporters will be determined daily. At the end of the marketing year, the proceeds from export certificates, minus export subsidy costs, will be distributed to eligible producers on a pro-rata basis.
11. Producers can plant feed grains on their wheat allotments and wheat on their feed grain permitted acres as in 1965, if they so desire. Wheat can also be planted on oat-rye base acreage, however, an adjustment may be made to allow for the difference in feed units produced per acre.
12. Minimum price of CCC wheat for resale is not changed.
13. Authority is included to exempt flour second clears not used for human consumption from the marketing certificate requirement.

14. Provision is included to give the same program benefits to producers who are prevented from planting wheat because of natural disasters as they would have received if they had planted provided the land is not planted to any other income-producing crop.
15. Authority is given, under certain conditions, to allow planting of diverted acreage to the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, flax, crambe, and plantago ovato at reduced payment rates.
16. Producers who have planted not less than 90 percent of the wheat acreage needed in order to earn the full amount of certificates will be considered as having planted the necessary number of acres, except where wheat is substituted for feed grains.
17. Authority is given to adjust or withhold certificates on farms where undesirable wheat varieties are planted.

Changes from previous legislation.

Wheat for domestic food use will be supported at 100 percent of parity, or as near as practicable. For 1966, the support will be at 100 percent of parity. Commodity Credit Corporation will pay the support above \$2, and domestic wheat processors will pay the difference between the national average price-support loan rate and \$2 (for 1966, processors will pay 75 cents per bushel).

Noncertificate wheat and wheat for export would be supported at the Secretary's discretion at a level based on world market price and the feeding value of wheat. Export certificate costs to exporters will be on a day-to-day basis rather than on a predetermined annual value as in 1965. The net proceeds from export certificates will be distributed to producers on a pro rata basis at the end of the marketing year. In 1965, export certificates with a predetermined face value were issued to producers for 35 percent of the normal yield of their allotments.

The minimum number of domestic certificates will be 500 million. There was no minimum in 1965.

Diversion payments are authorized on additional voluntary diversion up to 50 percent of the farm allotment or sufficient acreage to bring the total diverted acreage up to 25 acres, whichever is larger. In 1965, the maximum was 20 percent of the allotment or sufficient acreage to bring the total diverted acreage up to 15 acres, whichever was larger.

An adjustment may be made to allow for the difference in feed units of oats and/or rye when wheat is substituted for those crops.

State, county, and farm allotments, beginning in 1967, will be based on the previous year's allotment rather than historical averages.

Projected yields will be established for each farm. These yields will be the yield per acre expected for each farm using current cultural practices and normal weather.

Title VI -- Cropland Adjustment Program

This title provides for long-term diversion of land currently being used for the production of surplus crops to protective conservation uses. This would be for the immediate and longtime benefit of all citizens. It brings about economically desirable changes in land uses as well as expansion of recreation resources and wildlife habitat, reduction of stream siltation, increasing reforestation, and improvement of the scenic state of the countryside. It also helps achieve needed crop production adjustments at lower costs to the public.

Provisions are:

1. Contracts can be entered into with producers during the period 1965 through 1969. This would permit signups to start in the fall of 1965.
2. The period covered by any contract can be not less than 5 years nor more than 10 years.
3. Contracts beginning in 1966 will be made with farmers who have an allotment or base acreage of one of the crops designated by the Secretary and who agree to place the entire acreage of one of these crops in the program for the duration of the contract. Provision is made authorizing the establishment of a minimum acreage adjustment needed to participate in contracts which begin after 1966.
4. For diverting cropland to approved uses, producers will receive adjustment payments and will be eligible to receive cost-share payments for establishing approved uses.
5. Grazing or cutting hay from land diverted from crops under the program would be prohibited except in the case of severe drought, flood, or other natural disaster and then only with appropriate reduction in rental payments.
6. The adjustment payments can be made in annual payments, a lump sum, or in other installments. Payments in advance of performance will be discounted at the rate of 5 percent per year.

7. The total acreage of land and the total acreage of any allotment or base crop placed under contract in any county or community will be limited to assure that the local economy is not adversely affected.
8. The Secretary is authorized to transfer funds, appropriated for carrying out the program, to any other Federal agency or to States or local governmental agencies for use in acquiring cropland to be permanently retired from crops to the preservation of open spaces and natural beauty, the development of wildlife and recreational facilities and the prevention of air and water pollution, at costs not greater than those under agreements entered into with producers.
9. The Secretary is authorized to share the cost with State and local governmental agencies in the establishment on cropland of practices and uses which will establish, protect, and conserve open spaces, natural beauty, wildlife and recreational resources and prevent air and water pollution, at costs consistent with those under agreements with producers.
10. No land can be brought into the program on which ownership has changed during the three year period preceding the first year of the contract. Exceptions are land changing ownership by will or succession and under some conditions land purchased before January 1, 1965 or where the person who will control the land under the program also operated and controlled it in the three preceding years.
11. The annual payments on retired land may be increased by appropriate amounts if the owner agrees to permit access to the land without charge by the general public for hunting, trapping, fishing or hiking under applicable State and Federal regulations.
12. There is a limitation on the size of the program. Agreements signed in any fiscal year may not cause additional annual payments in excess of \$225 million in any calendar year.
13. Crop acreage and allotment history will be protected under the program. Another provision in this section of the law will authorize the Secretary to provide uniform protection of crop acreage and allotment history for land diverted to conservation uses.
14. The program will be administered by the ASCS farmer committee system.

Changes from previous legislation.

This legislation will fill a void in the effort to get a comprehensive shift of farm acreage from the production of crops to new uses to fill the land requirements of our changing economy.

It draws upon the experience of past programs and seeks to incorporate their best features. It will safeguard rural communities by limiting the amount of land in an area that could be retired under the program.

Title VII -- Miscellaneous

Compliance by measurement or other means.

Authorizes the Secretary to use measurement or other methods in ascertaining the acreage of any commodity or land use to determine compliance under any program.

Lease and transfer of tobacco allotments.

Amends the Agricultural Adjustment Act of 1938, as amended, to extend the transfer and leasing of tobacco allotments through 1969. In addition, provides that when acreage-poundage quotas are in effect for any kind of tobacco, except burley, cigar-filler and cigar-binder (types 42, 43, 44, 53, 54 and 55) the lease or transfer is to be on a pound for pound basis.

Study parity income.

The Secretary is directed to make a study of the parity income of farmers including criteria for measuring parity income of commercial family farmers and the feasibility of adapting such criteria to major types of farms and to selected counties. The results to be reported to Congress by June 30, 1966.

Transfer allotments on public lands.

Authorizes the Secretary to transfer, upon request of any State agency, allotments or feed grain bases, including relevant production histories, from any farm composed of State owned public lands to any other farm or farms in the same county composed of public lands. As a condition of the transfer any acreage greater than the allotment or base transferred is to be devoted to permanent vegetative cover on the farm from which transfer is made. Provision is also made for the adjustment of the acreage transferred to account for higher yields on the farm to which the acreage is transferred.

Reconstitution of farms.

Provides that when a part of a farm is sold the acreage allotments, base acreages and history acreages are to be divided in the same proportion as the cropland acreage sold bears to cropland acreage of the parent farm. Except that the Secretary is to provide by regulation the method of division of the allotments, histories and bases when:

- (1) The land transferred from the parent farm is being transferred to any agency having the right of eminent domain.
- (2) The land transferred is to be used for non-agricultural purposes.
- (3) The parent farm resulted from a combination of tracts and records are available showing the contribution of each tract.
- (4) The county committee determines that a division based on cropland proportions will result in allotments or bases out of line with operations normally carried out on the transferred tract.
- (5) The parent farm is divided among heirs in settling an estate.
- (6) The tract transferred or the remaining portion of the parent farm receives allotments in excess of allotments for similar farms in the community (not applicable to burley tobacco).

Projected yields.

Authorizes the use of projected yields in lieu of normal yields. The projected yield cannot be less than the proven yield for a farm.

Purchase of dairy products.

The Secretary is authorized to use CCC funds to purchase dairy products, except fluid milk for schools, at market prices to meet the requirements for domestic relief, foreign distribution and other programs authorized by law when the CCC inventory is inadequate for these uses.

Boiled peanuts.

Continues the exemption of boiled peanuts from marketing quotas through the 1969 crop.

Title VIII -- Rice

This title is designed to maintain income of rice growers and at the same time keep production in line with demand, foreign and domestic.

The program continues provisions of the law governing the 1965 crop, with the important difference that if the national acreage allotment for rice crops in 1966, 1967, 1968 or 1969 is less than the national acreage allotment for 1965 (1,818,638 acres) the Secretary of Agriculture must institute acreage diversion payments to maintain net income of rice producers.

The income figure, if acreages are reduced, would take lower production costs into consideration in determining net income of growers.

The law also provides that, on diverted acreage when a diversion program is used, the Secretary of Agriculture may permit all or part of the diverted acreage on a farm to be devoted to production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe plantago ovato and flax, subject to certain conditions. If diverted acres are used for growing these oilseeds, diversion payment rates will be adjusted at a rate determined to be fair and reasonable.

Another item, previously used in diversion programs for other crops, is the provision that a 50 percent advance payment may be made prior to the determination of performance.

This title also provides that, in determining support prices for the 1966 and 1967 crops of rice, the value factors (which reflect the national support price) cannot be reduced below the 1965 program value factors. In effect, this establishes price levels below which various types of rice may not be supported; upward adjustments are allowed under this legislation. Also, the difference between the value factors (support prices) for the various varieties or groups of varieties cannot be greater than the difference between the value factors established for the 1965 crop program.

H. R. 9811

IN THE SENATE OF THE UNITED STATES

AUGUST 25, 1965

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. CARLSON to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz:

1 On page 44, between lines 8 and 9, insert the following:

2 "SEC. 507. Section 407 of the Agricultural Act of 1949,
3 as amended, is amended by changing the period at the end
4 of the third sentence to a colon and adding the following:
5 'Provided, That notwithstanding any other provision of law,
6 the Commodity Credit Corporation shall not make any sales
7 of wheat at less than 110 per centum of the current support
8 price for wheat, plus reasonable carrying charges.' "

9 Renumber subsequent sections accordingly.

Amdt. No. 422

Amdt. No. 422

89TH CONGRESS
1ST SESSION

H. R. 9811

AMENDMENTS

Intended to be proposed by Mr. CARLSON to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

August 25, 1965

Ordered to lie on the table and to be printed

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

AUGUST 26, 1965

Referred to the Committee on Agriculture and Forestry and ordered to be
printed

AMENDMENTS

Intended to be proposed by Mr. CASE (for himself and Mr. McGOVERN) to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz:

1 On page 54, line 12, insert the following new title:

2 **TITLE VII—EGGS**

3 Agricultural Adjustment Act of 1933, as amended, and
4 as reenacted and amended by the Agricultural Marketing
5 Agreement Act of 1937, as amended, is further amended
6 as follows:

7 (1) Subsection 8c(2)(B) is amended (a) by inserting

Amdt. No. 423

1 “and laying chickens, which, when used in this title, shall
 2 be deemed to include baby chicks and pullets produced,
 3 acquired, or handled for the production of table eggs,” after
 4 “turkeys” where it first appears; (b) by inserting “and
 5 chicken table and hatching eggs other than chicken hatching
 6 eggs used for producing poultry meat,” after “turkey hatch-
 7 ing eggs” where it first appears; (c) by inserting “except as
 8 to liquid, frozen, or dried chicken eggs” after the phrase
 9 “including canned or frozen commodities or products” where
 10 it first appears; and (d) by striking the word “and” where
 11 it first appears in (ii) and inserting a comma in lieu thereof,
 12 and striking the period in (ii) and inserting in lieu thereof
 13 the following: “, and (iii) chicken table eggs, chicken hatch-
 14 ing eggs, laying chicken hens, baby chicks and pullets may
 15 be treated as individual commodities under individual orders
 16 or may be combined in any combination under one order
 17 and treated as a single commodity for the purpose of regulat-
 18 ing the quantity of chicken table eggs to be marketed in order
 19 to improve the economic conditions of chicken table egg
 20 producers.”

21 (2) By adding a new subsection as follows:

22 “8c(20) LAYING CHICKENS AND CHICKEN TABLE EGGS:

23 TERMS AND CONDITIONS OF ORDERS

24 “In the case of laying chickens and chicken table eggs,
 25 orders issued pursuant to this subsection shall contain one or

1 more of the following terms and conditions and (except as
2 provided in subsection 6, other than paragraphs (D), (E),
3 (F), (G), (H), and (I) thereof, and subsection 7 of this
4 section) no others; for the purpose of this section the hatch-
5 ing of baby chicks shall be considered handling of hatching
6 eggs; and further for the purpose of this subsection it is deter-
7 mined that by reason of the widespread production and han-
8 dling of laying chickens and chicken table and hatching eggs
9 throughout the United States and the competition in market-
10 ing of such commodities throughout the United States all
11 handling of such commodities is in interstate commerce or
12 directly burdens or affects such commerce in laying chickens
13 and chicken table and hatching eggs in the United States.

14 “(A) Limiting or providing methods for the limitation
15 of the total quantity of laying chickens which may be mar-
16 keted or otherwise handled during any specified period or
17 periods by any or all handlers thereof.

18 “(B) Distinguishing, or providing methods for distin-
19 guishing, the different persons in the chicken table egg in-
20 dustry involved in the production and marketing of such eggs,
21 including, but not restricted to, defining and classifying such
22 groups of persons and providing for such different terms and
23 conditions applicable to persons within each such class and
24 to such classes as is determined to be appropriate to effectu-
25 ate the purpose of the program in an equitable manner.

1 Producer status may be limited to persons having a flock of
2 laying chickens above a certain size where the Secretary
3 determines, after hearing, that the regulation of the market-
4 ing of eggs from smaller flocks is not necessary to effectuate
5 the policy of the Act and would impose an unwarranted
6 burden upon the owners thereof or unnecessarily burden the
7 administration of the order.

8 “(C) Determining, or providing methods for deter-
9 mining, the desirable quantity of chicken table eggs to be
10 produced and marketed during any period and the desirable
11 quantity of laying chickens necessary to allow the production
12 and marketing of such desirable quantity of chicken eggs as
13 determined. Table eggs shall be defined as edible eggs for
14 human consumption other than those used for hatching.

15 “(D) Allotting, or providing methods for allotting, the
16 total quantity of laying chickens or chicken table eggs avail-
17 able or to be available during a specified period, or periods,
18 equitably among chicken table egg producers upon the
19 basis of the total quantity of laying chickens acquired by
20 each producer, or chicken table eggs marketed by each pro-
21 ducer, during such prior period which the Secretary deter-
22 mined to be representative, and the size, production, and age
23 of the laying chickens in his current flock (s), due allowance
24 being made in the provisions of the order or abnormal con-
25 ditions, hardship cases and producers who did not produce

1 chicken table eggs during all or part of the representative
2 period; such apportionment shall constitute an allotment
3 fixed for the producer within the meaning of subsection
4 8a (5) of this title.

5 “(E) When allotments for producers with respect to
6 laying chickens or chicken table eggs have been established
7 under this section, the order may contain provisions allot-
8 ting or providing a method for allotting the quantity which
9 any handler may handle so that any and all handlers will be
10 limited as to each producer to the quantity allotted to each
11 producer, and such allotment shall constitute an allotment
12 fixed for each handler within the meaning of subsection
13 8a (5) of this title.

14 “(F) Providing for a market diversion program for
15 chicken table eggs and/or laying chickens which may in-
16 clude open market purchases of chicken table eggs, and
17 liquid, frozen, or dried eggs, of any grade, size, type, or
18 quality, when the Secretary determines that the then cur-
19 rent or the estimated price for chicken table eggs is such
20 that the average return therefor to producers would not be
21 reasonable in view of the prices of feed, the available sup-
22 plies of feeds, economic conditions affecting table egg pro-
23 duction, and other economic conditions which affect market
24 supply and demand for chicken table eggs in the production

1 area, and providing for the distribution of the net return
 2 derived from the disposition of such eggs or laying chickens
 3 to the market diversion fund and any amount determined by
 4 the Secretary to be in excess of such funds requirements to
 5 be equitably distributed among those contributing to such
 6 fund.

7 “(G) Establishing or providing for the establishment
 8 of marketing research and development projects designed
 9 to assist, improve, or promote the marketing, distribution,
 10 and consumption of eggs or egg products; the expense of
 11 such projects to be paid from funds collected pursuant to the
 12 marketing orders.

13 “(H) Subsections 8c(8), 8c(9), the first section of
 14 8c(10), 8c(11), 8c(12), 8c(13) (B), and 8c(19) of this
 15 title shall not be applicable to orders issued under this sub-
 16 section.

17 “(I) The authorization for provisions contained in sub-
 18 section 8c(7) (D) shall be applicable to orders containing
 19 provisions under this subsection with the same force and
 20 effect as though this subsection was specified therein.”

21 (3) By adding a new subsection 8c(21) as follows:
 22 “8c(21) PRODUCER REFERENDUM FOR APPROVING ORDERS
 23 APPLICABLE TO LAYING CHICKENS AND CHICKEN
 24 TABLE EGGS

25 “The Secretary shall conduct a referendum among

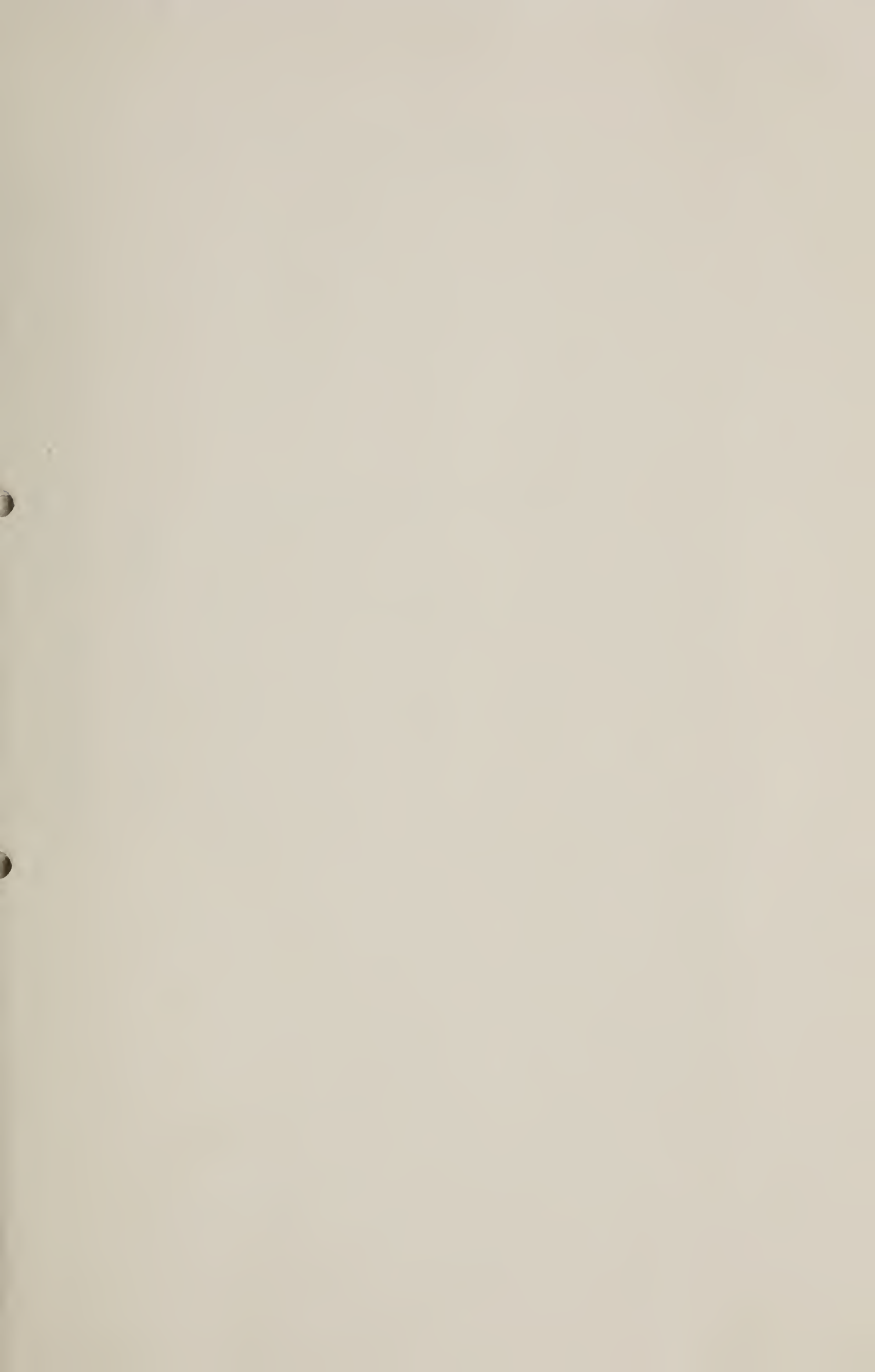
1 chicken table egg producers for the purpose of ascer-
2 taining whether the issuance of an order under subsection
3 8c(20) is approved or favored by them. For the purpose
4 of such a referendum a chicken table egg producer shall be
5 a person (a) who provides the labor for caring for a flock
6 of egg producing hens, which flock would be subject to an
7 order, if approved, and (b) who has an interest in the re-
8 sulting egg production, and (c) who owns or leases and
9 operates the producing facilities resulting in production of
10 chicken table eggs subject to the order. No order shall be
11 issued under this section unless approved by more than one-
12 half of the eligible producers voting in said referendum. The
13 terms and conditions of the proposed order shall be described
14 by the Secretary in the ballot used in the conduct of the
15 referendum. The nature, content, or extent of such descrip-
16 tion shall not be a basis for attacking the legality of the
17 order or any action relating thereto.”

18 (4) The prefatory language of subsection 608c(6) is
19 amended by inserting after the words “other than” as they
20 first appear, the words “laying chickens, chicken table eggs,
21 and”.

22 (5) Subsection 10(b)(2)(ii) is amended by adding
23 at the end thereof the following: “Orders issued under sub-
24 section 8c(20) may provide for such assessments to be paid
25 only by handlers of baby chicks, laying chickens, or chicken

1 table eggs and, further, if the order provides for a market
2 diversion program for chicken table eggs, the Secretary may
3 determine the amount of funds necessary for such a market
4 diversion program and this amount shall be assessed upon
5 all handlers of chicken table eggs and each such handler
6 shall pay his pro rata share of this amount to the authority
7 or agency established to administer the order: *Provided,*
8 *however,* That the Secretary may, after hearing, establish
9 such quantities of chicken table eggs handled as he determines
10 necessary to be exempt from both the administrative and
11 market diversion assessments to avoid unnecessary burdens
12 on handlers and, further, that the Secretary, after hearing,
13 may determine at what point in the handling of baby chicks,
14 chickens for laying, or chicken table eggs such assessments
15 shall attach.”

16 Renumber the present title VII, “title VIII”.



AMENDMENTS

Intended to be proposed by Mr. Case (for himself and Mr. McGovern) to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

August 26, 1965

Referred to the Committee on Agriculture and Forestry
and ordered to be printed

H. R. 9811

IN THE SENATE OF THE UNITED STATES

AUGUST 31 (legislative day, AUGUST 30), 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CARLSON to the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz:

1 On page 44, line 8, after the words "wheat so stored",
2 strike out the period and quotation mark and insert the fol-
3 lowing: " , and a married producer shall be deemed to be
4 in compliance with the provisions of this Act unless the Sec-
5 retary finds: (1) Managerial control of a noncomplying farm
6 by either husband or wife is shared by the spouse, or (2)
7 there have been changes in the operations or managerial
8 control of a noncomplying farm which would tend to negate
9 the offsetting compliance provision for either spouse."

Amdt. No. 428

80TH CONGRESS
1ST SESSION

H. R. 9811

AMENDMENT

Intended to be proposed by Mr. CARLSON to the bill (H.R. 9811) to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

AUGUST 31 (legislative day, AUGUST 30), 1965

Ordered to lie on the table and to be printed

Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 8, 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. TALMADGE (for himself, Mr. JORDAN of North Carolina, Mr. RUSSELL of South Carolina, Mr. HILL, and Mr. SPARKMAN) to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz: Strike out all of pages 104, 105, and 106 and insert in lieu thereof the following:

1 TITLE VI—COTTON

2 SEC. 601. The Agricultural Adjustment Act of 1938, as
3 amended, is amended as follows:

4 (1) Section 348 of the Act is amended by adding the
5 following new sentences at the end thereof: "The Secretary
6 may extend the period for performance of obligations in-

1 curred in connection with payments made for the period
2 ending July 31, 1966, or may make payments on raw cotton
3 in inventory on July 31, 1966, at the rate in effect on such
4 date. No payments shall be made hereunder with respect
5 to the 1966 crop cotton.”

6 (2) Section 346 of the Act is amended by adding at the
7 end thereof a new subsection as follows:

8 “(e) Notwithstanding any other provision of this Act,
9 for the 1966, 1967, 1968, and 1969 crops of upland cotton,
10 if the farm operator elects to forego price support for any
11 such crop of cotton by planting an acreage not exceeding
12 50 per centum in excess of the farm acreage allotment
13 established under section 344, all cotton of such crop pro-
14 duced on the farm may be marketed free of any penalty
15 under this section: *Provided*, That the foregoing shall be
16 applicable only to farms for which farm acreage allotments
17 were established for 1965 and the farm operator for the
18 current year was the operator of such farm for 1965 or has
19 acquired such farm by inheritance from the operator since
20 such year. The operator of any farm who elects to forego
21 price support for any such year under this subsection shall
22 not be eligible for price support on cotton on any other farm
23 in which he has a controlling or substantial interest as deter-
24 mined by the Secretary. Acreage planted to cotton in excess
25 of the farm acreage allotment established under section 344

1 shall not be taken into account in establishing future State,
2 county, and farm acreage allotments.”

3 (3) Section 350 of the Act is amended, effective with
4 the 1966 crop, to read as follows:

5 “SEC. 350. In order to afford producers an opportunity
6 to participate in a program of reduced acreage and higher
7 price support, as provided in section 103 (d) of the Agri-
8 cultural Act of 1949, as amended, the Secretary shall de-
9 termine a national domestic allotment for the 1966, 1967,
10 1968, and 1969 crops of upland cotton equal to the esti-
11 mated domestic consumption of upland cotton (standard
12 bales of four hundred and eighty pounds net weight) for
13 the marketing year beginning in the year in which the
14 crop is to be produced. The Secretary shall determine a
15 farm domestic acreage allotment percentage for each such
16 year by dividing (1) the national domestic allotment (in
17 net weight pounds) by (2) the total for all States of the
18 product of the State acreage allotment and the projected
19 State yield. The farm domestic acreage allotment shall be
20 established by multiplying the farm acreage allotment
21 established under section 344 by the farm domestic acreage
22 allotment percentage: *Provided*, That no farm domestic
23 acreage allotment shall be less than 65 per centum of such
24 farm acreage allotment: *Provided further*, That, except for

1 farms the acreage allotments of which are reduced under
2 section 344 (m), the farm domestic allotment shall not be
3 less than the smaller of ten acres or the farm acreage allot-
4 ment established under section 344. Such national domestic
5 allotment shall be determined not later than October 15 of
6 the calendar year preceding the year in which the crop is
7 to be produced.”

8 SEC. 602. Section 103 of the Agricultural Act of 1949,
9 as amended, is amended by adding the following new sub-
10 section at the end thereof:

11 “(d) (1) Notwithstanding any other provision of this
12 Act, if producers have not disapproved marketing quotas,
13 price support shall be made available for the 1966, 1967,
14 1968, and 1969 crops of upland cotton as provided in this
15 subsection.

16 “(2) Price support for each such crop of upland cotton
17 shall be made available to cooperators through loans at such
18 level, not exceeding 90 per centum of the estimated average
19 world market price for Middling one-inch upland cotton at
20 average location in the United States for the marketing year
21 for such crop, as the Secretary determines will provide or-
22 derly marketing of cotton during the harvest season and will
23 retain an adequate share of the world market for cotton pro-
24 duced in the United States taking into consideration the fac-
25 tors specified in section 401 (b) of this Act: *Provided*, That

1 the national average loan rate for the 1966 crop shall reflect
2 21 cents per pound for Middling one-inch upland cotton.

3 “(3) The Secretary shall provide additional price sup-
4 port for each such crop through payments in cash or in
5 kind to cooperators at a rate not less than nine cents per
6 pound: *Provided*, That the total of the national average loan
7 rate for any crop under paragraph (2) and the rate at
8 which payments are made under this paragraph shall not be
9 less than 65 per centum nor more than 90 per centum of
10 the parity price for cotton. Such payments shall be made
11 on the quantity of cotton determined by multiplying the
12 projected farm yield by the acreage planted to cotton within
13 the farm domestic acreage allotment: *Provided*, That any
14 such farm planting not less than 90 per centum of such
15 domestic acreage allotment shall be deemed to have planted
16 the entire amount of such allotment.

17 “(4) The Secretary shall also make price support pay-
18 ments in cash or in kind in addition to the payments author-
19 ized in paragraph (3) to cooperators who reduce their
20 cotton acreage by diverting a portion of their cotton acreage
21 allotment from the production of cotton to approved con-
22 servation practices to the extent prescribed by the Secre-
23 tary: *Provided*, That the total reduction in such cotton
24 acreage shall not exceed 35 per centum of the farm acreage
25 allotment, but no reduction shall be required on small farms

1 with minimum domestic acreage allotments under section
2 350 of the Agricultural Adjustment Act of 1938, as amended.
3 The rate of payment under this paragraph shall be such rate
4 as the Secretary determines to be fair and reasonable, but
5 shall not be less than 50 per centum of the national average
6 loan rate established under paragraph (2). Such payment
7 shall be made on a quantity of cotton determined by mul-
8 tiplying the acreage diverted from the production of cotton
9 by the projected farm yield, except that payment to small
10 farms with minimum domestic acreage allotments under sec-
11 tion 350 of the Agricultural Adjustment Act of 1938, as
12 amended, shall be made on a quantity of cotton determined
13 by multiplying an acreage equal to 35 per centum of such
14 farm domestic acreage allotment by the projected farm yield.

15 “(5) The Secretary may make not to exceed 50 per
16 centum of the payments under this subsection to producers
17 in advance of determination of performance and the balance
18 of such payments shall be made as soon after determination
19 of performance as practicable.

20 “(6) Where the farm operator elects to participate in
21 the acreage reduction program authorized in this subsection
22 and no acreage is planted to cotton on the farm, price support
23 payments for the 1966 crop shall be made at a rate equal
24 to 50 per centum of the national average loan rate estab-
25 lished under paragraph (2) on the quantity of cotton deter-

1 mined by multiplying 15 per centum of the farm acreage
2 allotment by the projected farm yield, and the remainder of
3 such allotment may be released under the provisions of sec-
4 tion 344 (m) (2) of the Agricultural Adjustment Act of
5 1938, as amended: *Provided*, That for the 1967, 1968, and
6 1969 crops such rate of payment shall be that which the
7 Secretary determines to be comparable to the rate of pay-
8 ment under paragraph (4). The acreage on which payment
9 is made under this paragraph shall be regarded as planted to
10 cotton for purposes of establishing future State, county, and
11 farm acreage allotments and farm bases.

12 “(7) Payments in kind under this subsection shall be
13 made through the issuance of certificates which the Com-
14 modity Credit Corporation shall redeem for cotton under
15 regulations issued by the Secretary at a value per pound
16 equal to not less than the current loan rate therefor. The
17 Corporation may, under regulations prescribed by the Secre-
18 tary, assist the producers in the marketing of such certificates
19 at such times and in such manner as the Secretary deter-
20 mines will best effectuate the purposes of the program
21 authorized by this subsection.

22 “(8) Payments under paragraphs (4) and (6) of this
23 subsection shall be conditioned on the farm having an acre-
24 age of approved conservation uses equal to the sum of (i)
25 the reduction in cotton acreage required to qualify for pay-

1 ments under paragraph (4) or the acreage with respect to
2 which payments are made under paragraph (6), as the case
3 may be, and (ii) the average acreage of cropland on the
4 farm devoted to designated soil-conserving crops or prac-
5 tices, including summer fallow and idle land, during a base
6 period prescribed by the Secretary: *Provided*, That the
7 Secretary may permit all or any part of such reduced acreage
8 to be devoted to the production of guar, sesame, safflower,
9 sunflower, castor beans, mustard seed, and flax, if he deter-
10 mines that such production is necessary to provide an ade-
11 quate supply of such commodities, is not likely to increase
12 the cost of the price support program, and will not adversely
13 affect farm income.

14 “(9) The acreage regarded as planted to cotton on any
15 farm which qualifies for payment under paragraph (4) of
16 this subsection shall, for purposes of establishing future State,
17 county, and farm acreage allotments and farm bases, be the
18 farm acreage allotment established under section 344 of the
19 Agricultural Adjustment Act of 1938, as amended, excluding
20 adjustments under subsection (m) (2) thereof.

21 “(10) The Secretary shall provide adequate safeguards
22 to protect the interests of tenants and sharecroppers, includ-
23 ing provision for sharing on a fair and equitable basis in
24 price support under this subsection.

25 “(11) Notwithstanding any other provision of this sec-

1 tion, the amount of price-support payments made with re-
2 spect to any farm may be adjusted for failure to comply fully
3 with the terms and conditions of the program formulated
4 pursuant to this subsection.

5 “(12) Notwithstanding any other provision of this Act,
6 if as a result of limitations hereafter enacted with respect to
7 price support under this subsection, the Secretary is unable
8 to make available to all cooperators the full amount of com-
9 bined price support to which they would otherwise be en-
10 titled under paragraphs (2) and (3) of this subsection for
11 any crop of upland cotton, (A) price support to cooperators
12 shall be made available for such crop (if marketing quotas
13 have not been disapproved) through loans or purchases
14 at such level not less than 65 per centum nor more than 90
15 per centum of the parity price therefor as the Secretary de-
16 termines appropriate; (B) in order to keep upland cotton
17 to the maximum extent practicable in the normal channels
18 of trade, such price support may be carried out through the
19 simultaneous purchase of cotton at the support price therefor
20 and resale at a lower price or through loans under which
21 the cotton would be redeemable by payment of a price there-
22 for lower than the amount of the loan thereon; and (C)
23 such resale or redemption price shall be such as the Secre-
24 tary determines will provide orderly marketing of cotton

1 during the harvest season and will retain an adequate share
2 of the world market for cotton produced in the United States.

3 “(13) An acreage on a farm in any such year which
4 the Secretary finds was not planted to cotton because of
5 drought, flood, or other natural disaster shall be deemed to
6 be planted to cotton for purposes of payments under this
7 subsection if such acreage is not subsequently devoted to any
8 price-supported crop in such year.

9 “(14) Section 408 (b) of the Agricultural Act of 1949,
10 as amended, is amended by changing the period at the end
11 of the first sentence thereof to a colon and adding the follow-
12 ing: ‘*Provided*, That for upland cotton a cooperator shall be
13 a producer on whose farm the acreage planted to such cotton
14 for the 1966 crop does not exceed 90 per centum of such
15 farm acreage allotment and for the 1967, 1968, and 1969
16 crops does not exceed such percentage, not less than 90 or
17 more than 100 per centum, of such farm acreage allotment
18 as the Secretary may determine, except that this proviso
19 shall not apply to any farm receiving a minimum farm
20 domestic acreage allotment under section 350 of the Agricul-
21 tural Adjustment Act of 1938, as amended.’

22 “(15) The provisions of subsection 8 (g) of the Soil
23 Conservation and Domestic Allotment Act, as amended
24 (relating to assignment of payments) shall also apply to
25 payments under this subsection.”

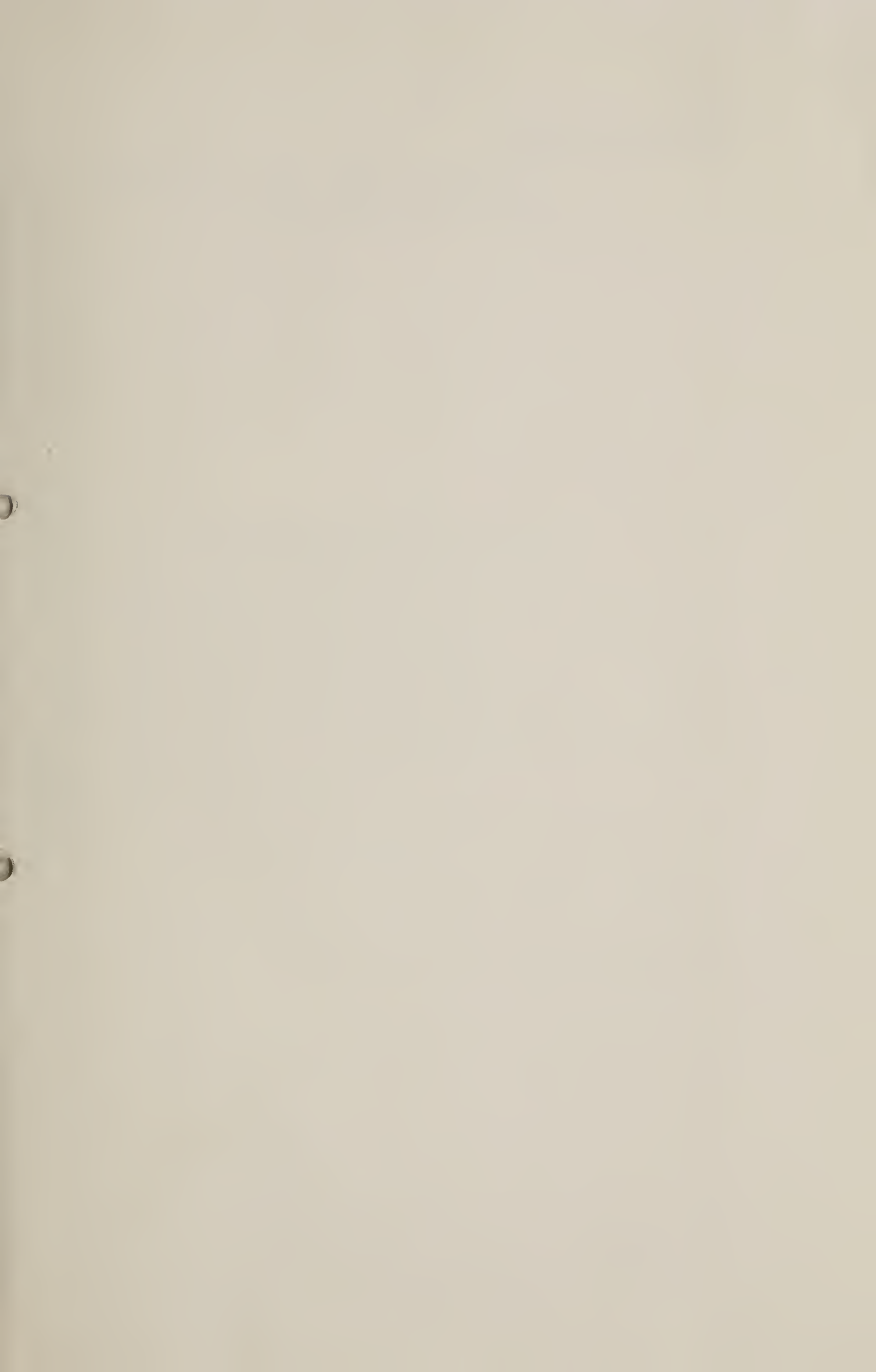
1 SEC. 603. Section 301 of the Agricultural Adjustment
2 Act of 1938, as amended, is amended by adding the fol-
3 lowing new subparagraphs to paragraph (13) of subsection
4 (b) :

5 “(L) ‘Projected National, State, and county yields’
6 for any crop of cotton shall be determined on the basis
7 of the yield per harvested acre of such crop in the
8 United States, the State and the county, respectively,
9 during each of the five calendar years immediately pre-
10 ceding the year in which such projected yield for the
11 United States, the State, and the county, respectively,
12 is determined, adjusted for abnormal weather conditions
13 affecting such yield, for trends in yields, and for any
14 significant changes in production practices.

15 “(M) ‘Projected farm yield’ for any crop of cotton
16 shall be determined on the basis of the yield per har-
17 vested acre of such crop on the farm during each of the
18 three calendar years immediately preceding the year in
19 which such projected farm yield is determined, adjusted
20 for abnormal weather conditions affecting such yield, for
21 trends in yields, and for any significant changes in pro-
22 duction practices, but in no event shall such projected
23 farm yield be less than the normal yield for such farm
24 as provided in subparagraph (I) of this paragraph.”

25 SEC. 604. Section 407 of the Agricultural Act of 1949,

1 as amended, is amended by adding at the end thereof the
2 following: "Notwithstanding any other provision of this
3 section, for the period August 1, 1966, through July 31,
4 1970, (1) the Commodity Credit Corporation shall sell up-
5 land cotton for unrestricted use at the same prices as it sells
6 cotton for export, in no event, however, at less than 110 per
7 centum of the loan rate, and (2) the Commodity Credit
8 Corporation shall sell or make available for unrestricted use
9 at current market prices in each marketing year a quantity
10 of upland cotton equal to the amount by which the produc-
11 tion of upland cotton is less than the estimated requirements
12 for domestic use and for export for such marketing year.
13 The Secretary may make such estimates and adjustments
14 therein at such times as he determines will best effectuate
15 the provisions of part (2) of the foregoing sentence and such
16 quantities of cotton as are required to be sold under such
17 sentence shall be offered for sale in an orderly manner and
18 so as not to affect market prices unduly."



AMENDMENT

Intended to be proposed by Mr. TALMADGE (for himself, Mr. JORDAN of North Carolina, Mr. RUSSELL of South Carolina, Mr. HULL, and Mr. SPARKMAN) to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 8, 1965

Ordered to lie on the table and to be printed

Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 8, 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. CARLSON to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz:

1 Page 9, line 3, after the word "amount" strike the period
2 and insert the following: "*: Provided, That in no event shall*
3 the Secretary require any producer, as a condition of eligi-
4 bility for conservation payments made pursuant to this sec-
5 tion or price support loans or payments made pursuant to
6 section 105 of the Agricultural Act of 1949, as amended, to
7 increase the average acreage of cropland that was devoted
8 during the base period to designated soil-conserving crops or
9 practices (including summer fallow and idle land) to more
10 than 50 per centum of the total cropland on the farm."

Amdt. No. 433

Amdt. No. 433

Calendar No. 673

**89TH CONGRESS
1ST SESSION**

H. R. 9811

AMENDMENT

Intended to be proposed by Mr. Carlson to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 8, 1965

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Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 8, 1965

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AMENDMENT

Intended to be proposed by Mr. CARLSON to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz:

- 1 Page 33, line 14, strike the period after the word
- 2 "reserve" and insert the following: " , but in no event shall
- 3 the total average acreage of cropland that was devoted
- 4 during the base period to designated soil conserving uses
- 5 (including summer fallow and idle land) be more than 50
- 6 per centum of the total cropland on the farm."

Amdt. No. 434

Amdt. No. 434

Calendar No. 673

**89TH CONGRESS
1ST SESSION**

H. R. 9811

AMENDMENT

Intended to be proposed by Mr. CARLSON to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 8, 1965

Ordered to lie on the table and to be printed

Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 8, 1965

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. BASS to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz:

- 1 On page 109, strike out line 24.
- 2 On page 110, strike out all language beginning with
- 3 line 1 and going through line 8.

Amdt. No. 435

Amdt. No. 435

Calendar No. 673

**89TH CONGRESS
1ST SESSION**

H. R. 9811

AMENDMENTS

Intended to be proposed by Mr. Bass to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 8, 1965

Ordered to lie on the table and to be printed

Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 8, 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. JAVITS (for himself, Mr. BOGGS, and Mr. TOWER) to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz: At the end of the bill add a new title as follows:

1 TITLE VIII—ESTABLISHMENT OF COMMISSION

2 ON UNITED STATES FOOD AND FIBER POLICY

3 DECLARATION OF POLICY AND PURPOSE

4 SEC. 801. It is hereby declared to be the policy of the
5 Congress to promote the effective utilization of the agricul-
6 tural production of the United States so that (1) the mar-
7 kets for United States agricultural commodities, insofar as

1 possible, will be competitive in the markets for such com-
2 modities in the world, (2) the present and future require-
3 ments for such agricultural commodities in the United States
4 and the world can be fully met, (3) the interests of tax-
5 payers and consumers may be fairly safeguarded, and (4)
6 the producers of agricultural commodities in the United
7 States will receive a return on their investment and labor
8 commensurate with their contribution to the national wel-
9 fare. It is further declared to be the policy of the Congress
10 to promote programs recognizing the necessity for consumers
11 in this country to be assured an adequate supply of agricul-
12 tural commodities of the best possible quality and at the
13 lowest possible prices. It is, therefore, the purpose of this
14 title to provide for a study and investigation of the Federal
15 laws and programs pertaining to agriculture with a view
16 to revising and modernizing such laws and programs in
17 order to achieve the policies stated above, and to provide
18 for a better coordinated national food and fiber policy.

19 ESTABLISHMENT OF THE COMMISSION ON UNITED STATES
20 FOOD AND FIBER POLICY

21 SEC. 802. In order to achieve the purpose set forth in
22 section 1 of this joint resolution, there is hereby established a
23 bipartisan commission to be known as the Commission on

1 United States Food and Fiber Policy (hereinafter referred
2 to as the "Commission").

3 MEMBERSHIP OF THE COMMISSION

4 SEC. 803. (a) NUMBER AND APPOINTMENT.—The
5 Commission shall be composed of twelve members as follows:

6 (1) Four appointed by the President of the United
7 States, two from the executive branch of the Government
8 and two from private life.

9 (2) Four appointed by the President of the Senate,
10 two from the Senate and two from private life.

11 (3) Four appointed by the Speaker of the House of
12 Representatives, two from the House of Representatives and
13 two from private life.

14 (b) POLITICAL AFFILIATION.—Of each class of two
15 members mentioned in subsection (a), not more than one
16 member shall be from each of the two major political parties.

17 (c) VACANCIES.—Vacancies in the Commission shall
18 not affect its powers but shall be filled in the same manner
19 in which the original appointment was made.

20 ORGANIZATION OF THE COMMISSION

21 SEC. 804. The Commission shall elect a Chairman and
22 a Vice Chairman from among its members.

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QUORUM

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SEC. 805. Seven members of the Commission shall constitute a quorum.

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COMPENSATION OF MEMBERS OF THE COMMISSION

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SEC. 806. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

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(b) MEMBERS FROM THE EXECUTIVE BRANCH.—Any member of the Commission who is in the executive branch of the Government shall receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary not exceeding \$22,500; and he shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of the duties vested in the Commission.

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(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive not exceeding \$75 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence,

1 and other necessary expenses incurred by them in the per-
2 formance of such duties.

3 STAFF OF THE COMMISSION

4 SEC. 807. The Commission shall have power to appoint
5 and fix the compensation of such personnel as it deems ad-
6 visable in accordance with the provisions of the civil service
7 laws and the Classification Act of 1949.

8 EXPENSES OF THE COMMISSION

9 SEC. 808. There is hereby authorized to be appropri-
10 ated, out of any money in the Treasury not otherwise appro-
11 priated, so much as may be necessary to carry out the
12 provisions of this joint resolution.

13 EXPIRATION OF THE COMMISSION

14 SEC. 809. Sixty days after the submission to Congress
15 of the report provided for in section 10 (b) , the Commission
16 shall cease to exist.

17 DUTIES OF THE COMMISSION

18 SEC. 810. (a) INVESTIGATION.—The Commission shall
19 make a comprehensive study and investigation of all Federal
20 laws and programs pertaining to agriculture, including all
21 matters relating to the food and fiber policies of the
22 United States and the effect of such policies on all seg-
23 ments of our society, with a view to revising and modern-

1 izing such laws and programs to achieve the aims set forth
2 in section 701 of this title. In carrying out such study and
3 investigation the Commission shall consider such matters
4 relating to agriculture as it deems necessary or appropriate,
5 but shall specifically consider, with regard to the various
6 agricultural commodities produced in the various regions of
7 the United States, (1) effectiveness of price support and
8 production controls, including acreage allotments and produc-
9 tion and marketing quotas, which may be in effect for such
10 commodities, (2) the future requirements of the United
11 States and the world for such commodities, (3) suitable uses
12 for land which may not be needed at the present time for the
13 production of such commodities, but which may be needed
14 for such purpose in the future, (4) methods for effectively
15 coordinating domestic agricultural policies with the export
16 opportunities for such commodities, (5) the effectiveness of
17 our present policies in the use of food and fiber internation-
18 ally and how such policies might be improved, (6) the
19 problems of rural economic opportunity in the United States,
20 (7) the national requirements for the stockpiling of agri-
21 cultural commodities, (8) import and export policies of the
22 United States with respect to food and fiber and the effect of
23 such policies on the foreign policy of the United States, (9)
24 methods of extending and expanding programs under the

1 Agricultural Trade Development and Assistance Act of
2 1954, as amended, without adversely affecting commercial
3 markets, and (10) the need for consolidating the activities
4 of the United States Department of Agriculture with other
5 Federal agencies on the development of rural resources.
6 The Commission shall also give particular attention to the
7 formulation of programs to facilitate the economic adjust-
8 ment of agricultural producers who decide to transfer to
9 other occupations. Such programs may include, but shall
10 not be limited to, retraining programs, relocation allowances,
11 assistance in obtaining alternative employment opportu-
12 nities, early retirement, and provision for minimum compen-
13 sation for land, dwellings, and equipment which such pro-
14 ducers no longer want or need.

15 (b) REPORT.—The Commission shall make a report
16 of its findings and recommendations to the Congress on or
17 before February 1, 1967, and may submit interim reports
18 prior thereto.

19 POWERS OF THE COMMISSION

20 SEC. 811. (a) (1) HEARINGS.—The Commission or, on
21 the authorization of the Commission, any subcommittee
22 thereof, may, for the purpose of carrying out its functions
23 and duties, hold such hearings and sit and act at such times
24 and places, administer such oaths, and require, by subpoena

1 or otherwise, the attendance and testimony of such witnesses,
2 and the production of such books, records, correspondence,
3 memorandums, papers, and documents as the Commission
4 or such subcommittee may deem advisable. Subpoenas may
5 be issued under the signature of the Chairman or Vice Chair-
6 man, or any duly designated member, and may be served
7 by any person designated by the Chairman, the Vice Chair-
8 man, or such member.

9 (2) In case of contumacy or refusal to obey a subpoena
10 issued under paragraph (1) of this subsection, any district
11 court of the United States or the United States court of any
12 possession, or the District Court of the United States for the
13 District of Columbia, within the jurisdiction of which the
14 inquiry is being carried on or within the jurisdiction of which
15 the person guilty of contumacy or refusal to obey is found
16 or resides or transacts business, upon application by the
17 Attorney General of the United States shall have jurisdic-
18 tion to issue to such person an order requiring such person
19 to appear before the Commission or a subcommittee thereof,
20 there to produce evidence if so ordered, or there to give testi-
21 mony touching the matter under inquiry; and any failure
22 to obey such order of the court may be punished by the court
23 as a contempt thereof.

24 (b) OFFICIAL DATA.—Each department, agency, and

1 instrumentality of the executive branch of the Government,
2 including independent agencies, is authorized and directed to
3 furnish to the Commission, upon request made by the Chair-
4 man or Vice Chairman, such information as the Commission
5 deems necessary to carry out its functions under this title.

AMENDMENT

Intended to be proposed by Mr. JAVITS (for himself, Mr. Boeggs, and Mr. Tower) to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 8, 1965

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Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. McGOVERN to H.R. 9811,
an Act to maintain farm income, to stabilize prices and
assure adequate supplies of agricultural commodities, to re-
duce surpluses, lower Government costs and promote foreign
trade, to afford greater economic opportunity in rural areas,
and for other purposes, viz:

- 1 On page 64, line 12, after the period, add the following:
- 2 “Whenever a wheat marketing allocation program is in effect
- 3 for any marketing year the Secretary shall determine (1)
- 4 the wheat marketing allocation for such year which shall
- 5 be the amount of wheat he estimates will be used during
- 6 such year for food products for consumption in the United
- 7 States, and (2) the national allocation percentage for such
- 8 year which shall be the percentage which the national mar-

1 keting allocation is of the amount of the national marketing
2 quota for wheat that would be determined for such marketing
3 year if a national marketing quota for such year had been
4 proclaimed less the expected production on the acreage allot-
5 ments for farms which will not be in compliance with the
6 requirements of the program. Each farm shall receive a
7 wheat marketing allocation for such marketing year equal to
8 the number of bushels obtained by multiplying the number
9 of acres in the farm acreage allotment for wheat by the
10 projected farm yield, and multiplying the resulting number
11 of bushels by the national allocation percentage.”

12 On page 68, strike out lines 10 through 17, and sub-
13 stitute the following:

14 “(1) (a) price support for wheat accompanied by
15 domestic certificates shall be at 100 per centum of the
16 parity price or as near thereto as the Secretary deter-
17 mines practicable, but in no event less than \$2.50 per
18 bushel, (b) price support for wheat not accompanied
19 by marketing certificates shall be at such level, not in
20 excess of the parity price therefor, as the Secretary
21 determines appropriate taking into consideration com-
22 petitive world prices of wheat, the feeding value of
23 wheat in relation to feed grains, and the level at which
24 price support is made available for feed grains.”

1 On page 68, beginning with line 18, strike out down
2 through line 21 on page 69 and substitute the following:

3 “(2) In establishing the levels of price support
4 pursuant to paragraph (1) and in establishing the
5 rates of diversion payments for diverting acreage under
6 subsection (a) of section 339, the objective shall be to
7 assure a total amount of returns to producers, including
8 any proceeds from export marketing certificates, at a
9 level not less than \$1.90 per bushel.”

10 On page 67, beginning with line 9, strike out down
11 through line 4 on page 68 and substitute the following:

12 “(f) Section 379e of such Act is amended by adding at
13 the end thereof the following: ‘Notwithstanding any other
14 provision of this Act, Commodity Credit Corporation shall
15 sell marketing certificates for the marketing years for the
16 1966 through the 1969 wheat crops to persons engaged in
17 the processing of food products at the face value thereof less
18 any amount by which price support for wheat accompanied
19 by domestic marketing certificates exceeds \$2 per bushel:
20 except that if the Secretary determines that the average price
21 of bread in the United States has increased following enact-
22 ment of the Food and Agriculture Act of 1965 and prior to
23 the beginning of such marketing year, the Secretary may in-
24 crease such price to an amount not exceeding the face value

1 of such certificates. The exception contained in the preced-
2 ing sentence shall not be applicable to the marketing year
3 for the 1966 crop.’”

4 On page 72, after line 25, insert the following:

5 “(2) Amendment (13) of section 202 is amended by
6 striking out ‘only with respect to the crop planted for harvest
7 in the calendar year 1965’ and substituting ‘with respect
8 to the crops planted for harvest in the calendar years 1965
9 through 1969’.”

10 On page 65, strike out lines 12 through 23.

11 On page 72, beginning on line 24 after the semicolon,
12 strike out down through line 25.

13 On page 63, lines 8 to 10, strike out “by striking out
14 ‘not accompanied by marketing certificates,’ and substituting
15 ‘under section 107 (1) of the Agricultural Act of 1949,’
16 and (3)”.

17 On page 75, between lines 16 and 17, insert the fol-
18 lowing:

19 “Section 379d (b) is amended by striking out the second
20 sentence and substituting the following: ‘The cost of the
21 export marketing certificates per bushel to the exporter
22 shall be that amount determined by the Secretary on a daily
23 basis which would make United States wheat and wheat
24 flour generally competitive in the world market, avoid dis-

1 ruption of world market prices, and fulfill the international
2 obligations of the United States.’

3 “Section 379c (a) is amended by striking out every-
4 thing in the next to the last sentence after “United States”
5 and substituting the following: ‘The Secretary shall also
6 provide for the issuance of export marketing certificates to
7 eligible producers at the end of the marketing year on a
8 pro rata basis. For such purposes, the value per bushel
9 of export marketing certificates shall be an average of the
10 total net proceeds from the sale of export marketing certifi-
11 cates during the marketing year after deducting the total
12 amount of wheat export subsidies paid to exporters.’

13 “Section 379c (c) is amended by striking out ‘and the
14 face value per bushel of export certificates shall be the
15 amount by which the level of price support for wheat accom-
16 panied by export certificates exceeds the level of price
17 support for noncertificate wheat.’ ”

H. R. 9811

AMENDMENTS

Intended to be proposed by Mr. McGovern to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

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Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. PROXMIRE (for himself, Mr. MAGNUSON, Mr. HART, Mr. JACKSON, and Mr. FULBRIGHT) to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz: At the end of the bill add a new title as follows:

1 TITLE VIII—DAIRY

2 SEC. 801. The Agricultural Adjustment Act, as reen-
3 acted and amended by the Agricultural Marketing Agree-
4 ment Act of 1937, as amended, is further amended by adding
5 at the end of section 8c (5) the following new subparagraph
6 (H) :

1 “(H) Notwithstanding any other provision of this sec-
2 tion, providing:

3 “(i) for allocating, or providing a method for allo-
4 cating, to each producer under a marketing order, a
5 share of the total sales of milk received from producers
6 classified in, and subject to the minimum price or prices
7 applicable to, the highest use classification or classifi-
8 cations under the marketing order and such reserves of
9 producer milk as may be found essential thereto, which
10 share shall be determined on the basis of total deliveries
11 of milk made by each such producer during the year
12 1964, or such other representative period as the Secre-
13 tary may prescribe in the order as more appropriate,
14 due allowance being made in the provisions of the order
15 for (a) abnormal conditions, (b) hardship cases, and
16 (c) producers under the order engaged in milk produc-
17 tion at the time provisions hereunder are incorporated
18 in the order but who did not produce milk during all
19 or part of the representative period. Dairy farmers who
20 were producing and marketing milk prior to the date
21 when provisions hereunder were incorporated in the
22 order and who were not on such date delivering milk as
23 producers under the order shall upon becoming pro-
24 ducers under the order be provided, with respect to
25 milk delivered under the order, allocations on the same

1 basis as those who were producers under the order when
2 such provisions become effective: *Provided*, That if
3 any dairy farm of such a dairy farmer has been trans-
4 ferred to another person and no allocation based on
5 deliveries from such farm has been issued when milk is
6 first delivered therefrom as producer milk under the
7 order, such transferee then operating the farm shall be
8 provided any allocation for which the said dairy farmer
9 would otherwise have been eligible based on deliveries
10 from such farm. Provisions shall also be made for allo-
11 cating to any new producer under an order who was not
12 engaged in dairy farming prior to the incorporation in
13 the order of provisions hereunder an equitable share of
14 the allocated sales on such terms and conditions as pre-
15 scribed in the order, due consideration being given to the
16 current and prospective supply conditions in the regu-
17 lated market. The application of allocations hereunder
18 shall be subject to such provisions as may be incorporated
19 in the order under section 8c (5) (D). Allocations to
20 producers under this subparagraph may be transferable
21 under an order on such terms and conditions as may be
22 prescribed if the Secretary of Agriculture determines
23 that transferability will be in the best interest of the pub-
24 lic, existing producers, and prospective new producers.
25 The allocations or bases hereunder may be adjusted from

1 time to time or new allocations or bases may be estab-
2 lished by amending the order or under provisions in-
3 corporated in the order;

4 “(ii) that in distributing to producers the amounts
5 of money required to be paid by handlers on milk each
6 producer shall be paid (1) for milk delivered by him
7 which exceeds his allocation at the lowest class price
8 specified in the order and (2) for milk delivered by
9 him within his allocation a blend price, based on utiliza-
10 tion in such higher class uses plus reserve, represent-
11 ing his pro rata share of the remaining funds available
12 for current distribution to producers under the order,
13 after the computation has been made under (1) hereof.
14 The payments under (1) and (2) above shall be sub-
15 ject to adjustments prescribed in the order under sec-
16 tion 8c (5) (B) or other provisions of the Act and to
17 such provisions as may be incorporated in the order
18 under section 8c (5) (D) ;

19 “(iii) in marketing orders where individual handler
20 pools are approved as provided by subparagraph 8c
21 (5) (B) (i) the provisions of this subparagraph may
22 be applied to each handler individually and to the pro-
23 ducers delivering milk to such handlers;

24 “(iv) in the case of any producer who during any
25 accounting period delivers a portion of his milk to per-

sons not fully regulated by the order, provision may be made for reducing the allocation of, or payments to be received by, any such producer to compensate for any marketings of milk to such other persons for such period or periods as necessary to insure equitable participation in marketings among all producers.

“(v) the order may provide for such reports and the keeping of such books and records by producers and by the person or persons to whom he may dispose of milk as the Secretary may prescribe and upon request of the Secretary such person or persons shall make required records available for inspection;

“(vi) the provisions authorized under this subparagraph may be made applicable to a regulated handler’s own production of milk;

“(vii) order provisions under this subparagraph shall not become effective in any marketing order unless separately approved by producers in the same manner provided for the approval of marketing orders. Disapproval of order provisions under this subparagraph shall not be considered disapproval of the order or of other terms of the order. Order provisions under this subparagraph may be terminated separately whenever the Secretary makes the determination with respect to such

1 provisions as is provided for the termination of an order
2 in section 8c (16) (B) ;

3 “(viii) Any producer for whom an allocation or base
4 is established under the authority of this subparagraph
5 may obtain a review thereof as prescribed by the order
6 and rules and regulations thereunder, which shall con-
7 stitute the exclusive procedure for review thereof and
8 section 8c (15) (A) of this title shall not apply thereto.
9 Under such order, rules, or regulations any officers or
10 employees of the Department or any committees or
11 boards of producers under the order created for the pur-
12 pose may be vested with authority to perform any or
13 all functions in connection with such review proceed-
14 ings, including ruling thereon. Committees or boards
15 created for this purpose shall be deemed agencies of the
16 Secretary within the meaning of subsection 8c (7) (C)
17 and section 10 of this title. The ruling upon such review
18 shall be final if in accordance with law. The producer
19 may obtain a judicial review of such ruling in accord-
20 ance with the provisions of section 8c (15) (B) of this
21 title ; and

22 “(ix) the provisions of section 8a (5) shall not
23 apply to any producer in the application of this sub-
24 paragraph or regulations issued pursuant thereto.”

AMENDMENT

Intended to be proposed by Mr. PROxmire (for himself, Mr. MAGNUSON, Mr. HART, Mr. JACKSON, and Mr. FULLBRIGHT) to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

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Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. DODD to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz:

- 1 On page 108, strike out lines 14 through 24.
- 2 On page 109, strike out lines 1 and 2 and substitute in
- 3 lieu thereof the following:
- 4 “SEC. 703. (a) There is hereby established a Select
- 5 Joint Committee of Congress To Study East-West Trade
- 6 (hereinafter referred to as the select committee), to con-
- 7 sist of a total of eighteen members, two majority members
- 8 and one minority member each from the House Agriculture

1 Committee, the House Foreign Affairs Committee, the House
2 Ways and Means Committee, the Senate Agriculture and
3 Forestry Committee, the Senate Finance Committee, and the
4 Senate Foreign Relations Committee, to be chosen by the
5 respective committees.

6 “(b) The select committee shall report its findings and
7 make recommendations to Congress and to the President
8 on or before February 1, 1966, after hearings, studies, and
9 consideration of the whole range of East-West trade, to
10 include—

11 “(1) the historical background and development of
12 trade between the free world and Communist or Com-
13 munist-dominated countries;

14 “(2) the present state of trade relations between the
15 free world and Communist or Communist-dominated
16 countries; and

17 “(3) the possible advantages and disadvantages to
18 the United States and other free world countries of
19 expanded trade with Communist or Communist-domi-
20 nated countries.

21 “(c) The select committee shall pay particular attention
22 to the various devices which have been suggested to encour-
23 age greater trade between the United States and the Com-
24 munist or Communist-dominated countries, including but not
25 limited to—

1 “(1) the waiving of restrictions, limitations, or con-
2 ditions connected with the sale through normal commer-
3 cial channels of agricultural commodities;

4 “(2) the guarantee by agencies of the Federal Gov-
5 ernment of credit arrangements, worked out through
6 normal commercial channels; and

7 “(3) the development of a modified list of strategic
8 goods, intended to make our policy more consistent with
9 those of other free world nations.

10 “(d) The committee shall select a chairman and a vice
11 chairman from among its members. No recommendation
12 shall be made by the committee except upon a majority vote
13 of the members representing each House, taken separately.

14 “(e) The committee, or any duly authorized subcom-
15 mittee thereof, is authorized to sit and act at such places and
16 times during the sessions, recesses, and adjourned periods of
17 the Eighty-ninth Congress, to require by subpoena or other-
18 wise the attendance of such witnesses and the production of
19 such books, papers, and documents, to administer such oaths,
20 to take such testimony, to procure such printing and binding,
21 and to make such expenditures, as it deems advisable.

22 “(f) The committee is empowered to appoint and fix
23 the compensation of such experts, consultants, technicians,
24 and clerical and stenographic assistants as it deems necessary
25 and advisable.

1 “(g) The expenses of the committee, which shall not
2 exceed \$100,000, shall be paid from the contingent fund of
3 the Senate upon vouchers signed by the chairman.

4 “(h) The select committee shall expire once it has made
5 its report of findings and recommendations, in any event not
6 later than February 1, 1966.”

Amdt. No. 439

Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

AMENDMENTS

Intended to be proposed by Mr. Dodd to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

Ordered to lie on the table and to be printed

Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. BREWSTER to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz:

1 On page 108, beginning with line 14, strike out all
2 down through line 2 on page 109.

3 Renumber sections 704 through 706 as sections 703
4 through 705, respectively.

Amdt. No. 440

Amdt. No. 440

Calendar No. 673

**89TH CONGRESS
1ST SESSION**

H. R. 9811

AMENDMENTS

Intended to be proposed by Mr. Brewster to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

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H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

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AMENDMENT

Intended to be proposed by Mr. BREWSTER to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz: At the end of the bill add a new section as follows:

1 SEC. 707. Notwithstanding any other provision of law,
2 no producer shall be eligible for price-support loans or
3 payments under any program or programs administered by
4 the Department of Agriculture in any amount in excess of
5 \$10,000 for any one year. The foregoing dollar limitation
6 shall include the fair dollar value (as determined by the
7 Secretary of Agriculture) of any payment in kind made to
8 a producer.

Amdt. No. 441

Amdt. No. 441

Calendar No. 673

**89TH CONGRESS
1ST SESSION**

H. R. 9811

AMENDMENT

Intended to be proposed by Mr. Brewster to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 9 (legislative day, SEPTEMBER 8), 1965

Ordered to lie on the table and to be printed

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 10 (legislative day, SEPTEMBER 8), 1965

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. MUNDT (for himself, Mr. YOUNG of North Dakota, Mr. CURTIS, and Mr. PEARSON) to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz:

1 On page 44, between lines 8 and 9, insert the following:

2 “SEC. 507. Section 407 of the Agricultural Act of 1949,
3 as amended, is amended by changing the period at the end
4 of the third sentence to a colon and adding the following:
5 ‘*Provided, That, notwithstanding any other provision of law,*
6 *the Commodity Credit Corporation shall not make any sales*
7 *of wheat at less than 115 per centum of the current support*
8 *price for wheat, plus reasonable carrying charges.’ ”*

9 Renumber subsequent sections accordingly.

Amft. No. 444

Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

AMENDMENTS

Intended to be proposed by Mr. MUNDT (for himself, Mr. Young of North Dakota, Mr. CURTIS, and Mr. Pearson) to H.R. 9811, an Act to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs, and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 10 (legislative day, SEPTEMBER 8), 1965

Ordered to lie on the table and to be printed

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 13, 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ROBERTSON to the amendment numbered 441 intended to be proposed by Mr. BREWSTER to H.R. 9811, an Act to maintain farm income, to stabilize prices, and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes, viz:

1 On page 1, beginning with line 2, strike out all down
2 through the period in line 5, and insert in lieu thereof the
3 following: "after January 1, 1967, no corporation shall be
4 eligible for price-support loans or payments under any pro-
5 gram or programs administered by the Department of Agri-
6 culture, and no producer other than a corporation shall be
7 eligible for price-support loans or payments under any such
8 program or programs in any amount in excess of \$25,000
9 for any one year."

Amdt. No. 445

Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

AMENDMENT

Intended to be proposed by Mr. ROBERTSON to the amendment numbered 441 intended to be proposed by Mr. BREWSTER to H.R. 9811, an Act to maintain farm income, to stabilize prices, and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 13, 1965

Ordered to lie on the table and to be printed

Calendar No. 673

89TH CONGRESS
1ST SESSION

H. R. 9811

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 13, 1965

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. AIKEN (for himself and Mr. WILLIAMS of Delaware) to H.R. 9811, an Act to maintain farm income, to stabilize prices, and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes. viz: At the end of the bill add the following new section:

1 SEC. —. Notwithstanding any other provision of law,
2 (1) sections 346 (e) and 350 of the Agricultural Adjust-
3 ment Act of 1938, as amended, and section 103 (d) of the
4 Agricultural Act of 1949, as amended, shall not be appli-
5 cable to any crop of cotton harvested after 1967; and (2)
6 the last sentence of section 407 of the Agricultural Act of
7 1949, as amended by the Food and Agriculture Act of 1965.
8 shall not be applicable after July 31, 1968.

Amdt. No. 446

H. R. 9811

AMENDMENT

Intended to be proposed by Mr. AIKEN (for himself and Mr. WILLIAMS of Delaware) to H.R. 9811, an Act to maintain farm income, to stabilize prices, and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas, and for other purposes.

SEPTEMBER 13, 1965

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